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National Defense Authorization

ON

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2005—H.R. 4200

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

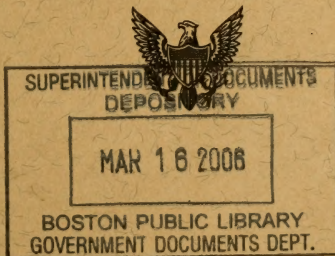
FULL COMMITTEE HEARINGS

ON

AUTHORIZATION AND OVERSIGHT

HEARINGS HELD

FEBRUARY 4, 12, 25, 26, MARCH 3, 18, 24, AND 31, 2004



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ON
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[There were no Questions submitted.]

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H. R. 4200

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2004

MR. HUNTER (for himself and Mr. SKELTON) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2005”.

SEC. 2. TABLE OF CONTENTS.

- (a) DIVISIONS.—This Act is organized into two divisions as follows:
 - (1) Division A—Department of Defense Authorizations.
 - (2) Division B—Military Construction Authorizations.
- (b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Multiyear Procurement Authorization

Sec. 111. Multiyear procurement authority for the light weight 155 millimeter howitzer program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.

Subtitle B—Ballistic Missile Defense

Sec. 211. Funding for Missile Defense Agency.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Armed Forces Retirement Home.
- Sec. 304. Other Department of Defense programs.

Subtitle B—Environmental Provisions

- Sec. 311. Payment of private cleanup costs.
- Sec. 312. Reimbursement to the Environmental Protection Agency for certain costs in connection with the Moses Lake, Washington Superfund site.

Subtitle C—Workplace and Depot Issues

- Sec. 321. Exclusion of certain expenditures from percentage limitation on contracting for performance of depot-level maintenance and repair workloads.

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- Sec. 402. New title for the Vice Chief of the National Guard Bureau.

Subtitle B—Reserve Forces

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- Sec. 414. Fiscal year 2005 limitation on number of non-dual status technicians.
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- Sec. 504. Revised promotion policy objectives for joint officers.
- Sec. 505. Modify length of joint duty assignments.
- Sec. 506. Management of joint specialty officers.
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- Sec. 508. Eliminate mandatory retirement of active duty general and flag officers after 30 years of service.
- Sec. 509. Length of terms for the Assistants to the Chairman of the Joint Chiefs of Staff for National Guard and Reserve Matters.
- Sec. 510. Length of service for the senior leaders of the military departments.
- Sec. 511. Extending age limits for active duty general and flag officers.
- Sec. 512. Lateral reassignment of certain generals and admirals.
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- Sec. 514. Promotion policy objectives for joint officers.

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- Sec. 526. Waive requirement that reserve chiefs and National Guard directors must have significant joint duty experience.
- Sec. 527. Extending age limits for reserve and National Guard general and flag officers.
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- Sec. 2203. Improvements to military family housing units.
- Sec. 2204. Authorization of appropriations, Navy.

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TITLE XXIII—AIR FORCE

- Sec. 2301. Authorized Air Force construction and land acquisition projects.
- Sec. 2302. Family housing.
- Sec. 2303. Improvements to military family housing units.
- Sec. 2304. Authorization of appropriations, Air Force.

TITLE XXIV—DEFENSE AGENCIES

- Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
- Sec. 2402. Improvements to military family housing units.
- Sec. 2403. Energy conservation projects.
- Sec. 2404. Authorization of appropriations, Defense Agencies.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

- Sec. 2501. Authorized NATO construction and land acquisition projects.
- Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE

- Sec. 2601. Authorized Chemical Demilitarization construction and land acquisition projects.
- Sec. 2602. Authorization of appropriations, Chemical Demilitarization Construction.

TITLE XXVII—GUARD AND RESERVE FORCES FACILITIES

- Sec. 2701. Authorized Guard and Reserve construction and land acquisition projects.

TITLE XXVIII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

- Sec. 2801. Expiration of authorizations and amounts required to be specified by law.
- Sec. 2802. Extension of authorizations of certain fiscal year 2002 projects.
- Sec. 2803. Extension of authorizations of certain fiscal year 2001 projects.

TITLE XXIX—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

- Sec. 2901. Alternative authority for acquisition and improvement of military housing.

Subtitle B—Real Property and Facilities Administration

- Sec. 2911. Establishment of Museum Center of the National Museum of the United States Army.
- Sec. 2912. Exchange or sale of reserve component facilities in return for replacement facilities.

Subtitle C—Other Matters

- Sec. 2921. Minor military construction to improve force protection.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Army as follows:

- (1) For aircraft, \$2,658,241,000.
- (2) For missiles, \$1,398,321,000.
- (3) For weapons and tracked combat vehicles, \$1,639,695,000.
- (4) For ammunition, \$1,556,902,000.
- (5) For other procurement, \$4,240,896,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Navy as follows:

- (1) For aircraft, \$8,767,867,000.
- (2) For weapons, including missiles and torpedoes, \$2,101,529,000.
- (3) For shipbuilding and conversion, \$9,962,027,000.
- (4) For other procurement, \$4,834,278,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Marine Corps in the amount of \$1,190,103,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement of ammunition for the Navy and Marine Corps in the amount of \$858,640,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Air Force as follows:

- (1) For aircraft, \$13,163,174,000.
- (2) For missiles, \$4,718,313,000.
- (3) For procurement of ammunition, \$1,396,457,000.
- (4) For other procurement, \$13,283,557,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2005 for Defense-wide procurement in the amount of \$2,883,302,000.

Subtitle B—Multiyear Procurement Authorization

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR THE LIGHT WEIGHT 155 MILLIMETER HOWITZER PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of the light weight 155 millimeter howitzer.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Department of Defense for research, development, test, and evaluation, as follows:

- (1) For the Army, \$9,266,258,000.
- (2) For the Navy, \$16,346,391,000.
- (3) For the Air Force, \$21,114,667,000.
- (4) For Defense-wide activities, \$21,044,972,000, of which \$305,135,000 is authorized for the Director of Operational Test and Evaluation.

Subtitle B—Ballistic Missile Defense

SEC. 211. FUNDING FOR MISSILE DEFENSE AGENCY.

(a) Funds appropriated under the heading "Research, Development, Test and Evaluation, Defense-Wide" for the Missile Defense Agency may, upon approval by the Secretary of Defense, be used for the development and fielding of ballistic missile defense capabilities.

(b) This section shall be effective for fiscal years after Fiscal Year 2004.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

- (1) For the Army, \$26,133,411,000.
- (2) For the Navy, \$29,789,190,000.
- (3) For the Marine Corps, \$3,632,115,000.
- (4) For the Air Force, \$28,471,260,000.
- (5) For the Defense-wide activities, \$17,494,076,000.
- (6) For the Army Reserve, \$2,008,128,000.
- (7) For the Naval Reserve, \$1,240,038,000.

- (8) For the Marine Corps Reserve, \$188,696,000.
- (9) For the Air Force Reserve, \$2,239,790,000.
- (10) For the Army National Guard, \$4,440,686,000.
- (11) For the Air National Guard, \$4,422,838,000.
- (12) For the United States Court of Appeals for the Armed Forces, \$10,825,000.
- (13) For Environmental Restoration, Army, \$400,948,000.
- (14) For Environmental Restoration, Navy, \$266,820,000.
- (15) For Environmental Restoration, Air Force, \$397,368,000.
- (16) For Environmental Restoration, Defense-wide, \$23,684,000.
- (17) For Environmental Restoration, Formerly Used Defense Sites, \$216,516,000.
- (18) For Overseas Humanitarian, Disaster, and Civic Aid programs, \$59,000,000.
- (19) For Cooperative Threat Reduction programs, \$409,200,000.
- (20) For Overseas Contingency Operations Transfer Fund, \$30,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

- (1) For the Defense Working Capital Funds, \$1,685,886,000.
- (2) For the National Defense Sealift Fund, \$1,269,252,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2005 from the Armed Forces Retirement Home Trust Fund the sum of \$61,195,000 for the operation of the Armed Forces Retirement Home.

SEC. 304. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) **DEFENSE HEALTH PROGRAM.**—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Defense Health Program, \$17,640,411,000, of which—

- (1) \$17,203,369,000 is for Operation and Maintenance;
- (2) \$72,407,000 is for Research, Development, Test, and Evaluation; and
- (3) \$364,635,000 is for Procurement.

(b) **CHEMICAL AGENTS AND MUNITIONS DESTRUCTION.**—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, \$1,371,990,000, of which—

- (A) \$1,138,801,000 is for Operation and Maintenance;
- (B) \$154,209,000 is for Research, Development, Test, and Evaluation; and
- (C) \$78,980,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

(A) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(B) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

(c) **DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.**—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, \$852,697,000.

(d) **DEFENSE INSPECTOR GENERAL.**—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, \$244,562,000, of which—

- (1) \$242,362,000 is for Operation and Maintenance;
- (2) \$100,000 is for Research, Development, Test, and Evaluation; and
- (3) \$2,100,000 is for Procurement.

Subtitle B—Environmental Provisions

SEC. 311. PAYMENT OF PRIVATE CLEANUP COSTS.

(a) **AUTHORITY TO PAY FOR SERVICES.**—Section 2701(d) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “tribe,” both places it appears and inserting “tribe, owner of covenant property,”; and

(2) by adding at the end the following new subparagraph:

“(C) The term ‘owner of covenant property’ means an owner of property subject to a covenant provided by the United States in accordance with the requirements of section 120(h)(3)(A)(ii)(II) of CERCLA: *Provided, however*, That the covenant property also is the site of the services to be performed.”.

(b) SOURCE OF FUNDS FOR COVENANT PROPERTY.—Section 2703 of such title is amended—

(1) in subsection (g)(1), by striking “The” and inserting “Except as provided in subsection (h), the”; and

(2) by adding at the end the following new subsection:

“(h) SOLE SOURCE OF FUNDS FOR ENVIRONMENTAL REMEDIATION SERVICES AT BASE REALIGNMENT AND CLOSURE SITES.—In the case of property disposed of in accordance with a base closure law, the sole source of funds for services obtained under section 2701(d)(1) of this title shall be the applicable base closure account established under such base closure law.”.

SEC. 312. REIMBURSEMENT TO THE ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH THE MOSES LAKE, WASHINGTON SUPERFUND SITE.

(a) AUTHORITY.—Using funds described in subsection (b), the Secretary of Defense may transfer not more than \$524,926.54 to the Moses Lake Wellfield Superfund Site 10–6J Special Account. This payment is to reimburse the United States Environmental Protection Agency for its costs including interest incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington. Such reimbursement is provided for in the Interagency Agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Site, in March, 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by paragraph 18 of section 301 of this act for Environmental Restoration, Formerly Used Defense Sites. EPA shall retain and use the transferred amount to pay for costs the Agency has incurred or will incur at the Moses Lake Wellfield Superfund site.

Subtitle C—Workplace and Depot Issues

SEC. 321. EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE -LIMITATION ON CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

Section 2474(f)(1) of title 10, United States Code, is amended by striking “under any contract entered into during fiscal years 2003 through 2006”.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2005, as follows:

- (1) The Army, 482,400.
- (2) The Navy, 365,900.
- (3) The Marine Corps, 175,000.
- (4) The Air Force, 359,700.

SEC. 402. NEW TITLE FOR THE VICE CHIEF OF THE NATIONAL GUARD BUREAU.

(a) IN GENERAL.—Section 10505 of title 10, United States Code, is amended by striking “Vice Chief of the National Guard Bureau” each place it appears and inserting “Director of the Joint Staff of the National Guard Bureau”.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended by striking “Vice Chief of the National Guard Bureau” and inserting “Director of the Joint Staff of the National Guard Bureau”.

(2) The item relating to such section in the table of sections at the beginning of chapter 1011 of such title is amended by striking "Vice Chief of the National Guard Bureau" and inserting "Director of the Joint Staff of the National Guard Bureau".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2005, as follows:

- (1) The Army National Guard of the United States, 350,000.
- (2) The Army Reserve, 205,000.
- (3) The Naval Reserve, 83,400.
- (4) The Marine Corps Reserve, 39,600.
- (5) The Air National Guard of the United States, 106,800.
- (6) The Air Force Reserve, 76,100.
- (7) The Coast Guard Reserve, 10,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2005, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

- (1) The Army National Guard of the United States, 26,476.
- (2) The Army Reserve, 14,970.
- (3) The Naval Reserve, 14,152.
- (4) The Marine Corps Reserve, 2,261.
- (5) The Air National Guard of the United States, 12,225.
- (6) The Air Force Reserve, 1,900.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2005 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

- (1) For the Army Reserve, 7,299.
- (2) For the Army National Guard of the United States, 25,076.
- (3) For the Air Force Reserve, 9,954.
- (4) For the Air National Guard of the United States, 22,956.

SEC. 414. FISCAL YEAR 2005 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2005, may not exceed the following:

- (A) For the Army National Guard of the United States, 1,600.
- (B) For the Air National Guard of the United States, 350.

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2005, may not exceed 795.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2005, may not exceed 90.

(b) NON 09 DUAL STATUS TECHNICIANS DEFINED.—In this section, the term "non-dual status technician" has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. SPECIAL RULE FOR COMPUTING THE HIGH 0936 MONTH AVERAGE FOR RESERVE COMPONENT MEMBERS.

(a) **COMPUTATION OF HIGH 36 09 MONTH AVERAGE.**—Subsection (c) of section 1407 of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(3) **SPECIAL RULE FOR RESERVE COMPONENT MEMBERS**—

“(A) **HIGH 0936 MONTH AVERAGE FOR DISABILITY RETIRED PAY.**—The high-three average of a Reserve component member entitled to retired pay under section 1201 or 1202 of this title, or a spouse of a Reserve component member entitled to a survivor benefit plan annuity under section 1448(d)(1)(B) of this title, is the amount equal to—

“(i) the total amount of monthly basic pay to which the member was entitled during the member's high-36 months (or to which the member would have been entitled if the member had served on active duty during the entire period of the member's high-36 months), divided by

“(ii) 36.

“(B) **SHORT 09 TERM DISABILITY RETIRED PAY.**—Notwithstanding subparagraph (A), the high-three average of a Reserve component member with less than 36 months who is entitled to retired pay under section 1201 or 1202 of this title, or a spouse of a Reserve component member entitled to a survivor benefit plan annuity under section 1448(d)(1)(B) of this title, is the amount equal to—

“(i) the total amount of monthly basic pay to which the member was entitled during the entire period the member was a member of a uniformed service before being so retired (or to which the member would have been entitled if the member had served on active duty during the entire period the member was a member of a uniformed service before being so retired), divided by

“(ii) the number of months (including any fraction thereof) during which the member was a member before so retiring.”

(b) **EFFECTIVE DATE.**—For purposes of determining the annuity for the spouse of a member who died while on active duty, the amendments made by this section shall take effect as of September 10, 2001.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. TRANSITION OF ACTIVE 09DUTY LIST OFFICER FORCE TO ALL REGULAR STATUS.

(a) **ELIMINATE REQUIREMENT THAT ALL ACTIVE DUTY OFFICERS SERVE IN A RESERVE STATUS FOR AT LEAST ONE YEAR.**—Section 532 of title 10, United States Code, is amended by striking subsection (e).

(b) **AMEND THE QUALIFICATIONS FOR ORIGINAL APPOINTMENT AS A COMMISSIONED OFFICER.**—Section 532 is further amended—

(1) in subsection (a)—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(2) by adding at the end the following new subsection:

“(f) The Secretary of Defense may waive the requirement of subsection (a)(1) with respect to an alien lawfully admitted to permanent residence when the Secretary determines that the national security so requires.”

(c) **ELIMINATE LIMITATIONS PLACED ON TOTAL STRENGTH OF REGULAR COMMISSIONED OFFICERS SERVING ON THE ACTIVE-DUTY LIST.**—Section 522 of such title is repealed.

(d) **ELIMINATE SENATE CONFIRMATION FOR ORIGINAL APPOINTMENTS OF COMMISSIONED OFFICERS.**—Section 531(a) of such title is amended to read as follows:

“(a) Original appointments in the grades of second lieutenant through captain in the Regular Army, Regular Air Force, and Regular Marine Corps and in the grades of ensign through lieutenant in the Regular Navy shall be made by the President. The President may delegate this authority to the Secretary of Defense. Original appointments in the grades of major, lieutenant colonel and colonel in the Regular Army, Regular Air Force, and Regular Marine Corps and in the grades of lieutenant commander, commander and captain in the Regular Navy shall be made by the President, by and with the advice and consent of the Senate.”

(e) **FORCE SHAPING AUTHORITY.**—(1) Chapter 36 of such title is amended by adding after section 646 the following new section:

“§ 647. Force shaping authority

“(a) **IN GENERAL.**—Under regulations prescribed by the Secretary concerned, for force shaping purposes only, the Secretary may discharge or transfer an officer on the active-duty list to the reserve active-status list, who:

“(1) has 7 years or less of commissioned service; or

“(2) has more than 7 years commissioned service, but has not completed his minimum service obligation.

“(b) **DEFINITION.**—In this section, the term ‘minimum service obligation’ means—

“(1) the initial period of required active duty service; and

“(2) any additional period of required active duty service incurred during the initial period of required active duty service.”.

(f) **ELIGIBILITY FOR SEPARATION PAY UPON INVOLUNTARY DISCHARGE.**—Section 1174(e)(2)(B) of such title is amended by inserting after “service” the following: “, except under conditions as described in section 647 of this title”.

(g) **ELIMINATE REQUIREMENT FOR OATH UPON TRANSITION FROM ACTIVE COMPONENT TO RESERVE COMPONENT.**—Section 12201(a) of such title is amended by inserting after the first sentence the following new sentence: “An officer who transfers from the active-duty list to the reserve active-status list is not required to subscribe to the oath prescribed by section 3331 of title 5.”.

(h) **AUTHORITY TO APPOINT RESERVE OFFICERS TRANSFERRED FROM THE ACTIVE-DUTY LIST TO THE RESERVE ACTIVE-STATUS LIST.**—Section 12203 of such title is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

“(b) Notwithstanding the requirements of subsection (a), appointments of officers transferred from the active-duty list to the reserve active-status list shall be made by the Secretary concerned.”.

(i) **TRANSFER OF OFFICERS FROM THE RESERVE ACTIVE-STATUS LIST TO THE ACTIVE-DUTY LIST.**—Section 531 of such title is amended by adding at the end the following new subsection:

“(c) Appointments in the Regular Army, Regular Air Force, Regular Navy and Regular Marine Corps of officers holding Reserve commissions may be made by the Secretary concerned.”.

(j) **EXEMPT READY RESERVE OFFICERS FROM THE ACTIVE-DUTY LIST.**—Section 641(1)(F) of such title is amended to read as follows:

“(F) ordered to active duty under sections 12302 and 12304 of this title.”.

(k) **DELETION OF REQUIREMENT TO SERVE 6 YEARS IN THE RESERVE COMPONENT TO MEET RETIREMENT ELIGIBILITY.**—Section 12731(a) of such title is amended—

(1) by inserting “and” at the end of paragraph (2);

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(l) **ALL REGULAR OFFICER APPOINTMENTS FOR STUDENTS ATTENDING THE UNIVERSITY OF HEALTH SCIENCES.**—Section 2114(b) of such title is amended by striking “Notwithstanding any other provision of law, they shall serve on active duty in pay grade O-1 with full pay and allowances of that grade. Upon graduation they shall be appointed in a regular component, if qualified, unless they are covered by section 2115 of this title.” and inserting “Notwithstanding any other provision of law, they shall be appointed in the regular component and shall serve on active duty as an O-1 with full pay and allowances of that grade. Upon graduation they shall be required to serve on active duty unless covered by section 2115 of this title.”.

(m) **EFFECTIVE DATE.**—The amendments made by this section shall take effect six months after the date of enactment of this Act.

SEC. 502. STRENGTH IN GRADE: COMMISSIONED OFFICERS IN GRADES BELOW BRIGADIER GENERAL OR REAR ADMIRAL (LOWER HALF) IN AN ACTIVE STATUS.

Section 12005(c)(1), of title 10, United States Code, is amended by amending the table to read as follows:

“Colonel—	2 percent
Lieutenant colonel—	8 percent
Major—	16 percent
Captain—	39 percent
First lieutenant and second lieutenant (when combined with the number authorized for general officer grades under section 12004 of this title)—	35 percent.”.

SEC. 503. JOINT DUTY CREDIT REQUIRED FOR PROMOTION TO FLAG OR GENERAL OFFICER.

Section 619a(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking “scientific and technical” and inserting “a career field specialty”; and

(2) in paragraph (4), by striking “if—” and all that follows and inserting “if the officer’s total consecutive service in joint duty assignments within that immediate organization meets the requirements of section 664 of this title for full joint duty credit.”.

SEC. 504. REVISED PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

(a) IN GENERAL.—Section 662(a) of title 10, United States Code, is amended to read as follows:

“(a) **QUALIFICATIONS.**—(1) The military departments shall establish internal procedures and processes necessary to validate the qualifications of active duty list officers assigned to joint duty activities, as defined in section 668 of this title. These internal measures will ensure an adequate number of senior colonels, or in the case of the Navy, captains, are eligible for promotion to brigadier general and rear admiral (lower half) to meet the requirements of section 619a of this title.

“(2) The Secretary of Defense shall ensure that the qualifications of officers assigned to joint duty assignments are such that—

“(A) officers who are serving on or have served on the Joint Staff are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for officers of the same armed force in the same grade and competitive category who are serving on the headquarters staff of their armed force; and

“(B) officers (other than officers in subparagraph (A)) who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.

“(3) The Secretary of Defense will develop policies to ensure Secretaries of the military departments provide appropriate consideration to joint service officers eligible for promotion selection boards.”.

(b) **CONFORMING AMENDMENT.**—Subsection (b) of such section is amended by striking “(1), (2), and (3)” and inserting “(1)(A) and (1)(B)”.

SEC. 505. MODIFY LENGTH OF JOINT DUTY ASSIGNMENTS.

Section 664 of title 10, United States Code, is amended to read as follows:

“§ 664. Length of joint duty assignments

“(a) **LENGTH OF JOINT DUTY ASSIGNMENTS.**—In the case of officers serving in a grade not less than Major, or, in the case of the Navy, Lieutenant Commander, the length of a joint duty assignment will mirror the standard tour length the Secretary of Defense establishes for each installation or location authorized for joint duty assignments as specified in section 668 of this title. Joint duty credit is awarded as provided by subsection (c). Duty at a qualified joint task force headquarters requires one year of total service credited in the manner specified in subsection (c).

“(b) **EXCLUSIONS FROM TOUR LENGTH.**—The Secretary of a military department may request that the joint activity to which an officer is assigned curtail the officer’s joint assignment. The officer will receive full credit for service when an assignment was curtailed from the standards prescribed in subsection (a), provided the officer has served at least 24 months in a joint position with a tour length of greater than 24 months, or the full term of a Secretary of Defense-established tour length, and the joint activity agreed to the curtailment.

“(c) **FULL CREDIT FOR JOINT DUTY.**—An officer shall be considered to have completed a full tour of joint duty in a joint duty assignment for the purposes of awarding full credit upon the completion of any of the following:

“(1) A joint duty assignment that meets the standards prescribed in subsection (a) or (b).

“(2) Accumulation of partial credit totaling one year of service earned by service in one or more joint task force headquarters as specified in subsection (a).

“(3) A joint duty assignment with respect to which the Secretary of Defense has granted a waiver under subsection (d).

“(4) A second joint duty assignment that is less than 24 months, without regard to the nature of credit awarded to the officer for his or her first assignment in a Joint Duty Assignment List position.

“(d) **WAIVER AUTHORITY.**—The Secretary of Defense may waive this section when it is considered essential for military personnel management. The Secretary may grant such a waiver only on a case-by-case basis for a specific officer.”.

SEC. 506. MANAGEMENT OF JOINT SPECIALTY OFFICERS.

Section 661 of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

“(1) An officer will be designated with a joint specialty officer identifier after the officer—

“(A) successfully completes a Chairman of the Joint Chiefs of Staff accredited program from a joint professional military education institution and successfully completes a full tour of duty in a joint duty assignment (not necessarily in this order); or

“(B) successfully completes two full tours of duty in joint duty assignments.”;

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraph (4) as paragraph (2);

(2) by striking subsection (d);

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(4) by amending subsection (d), as redesignated by paragraph (3), to read as follows:

“(d) **JOINT SPECIALTY OFFICER DESIGNATION FOR GENERAL AND FLAG POSITIONS.**—The Secretary shall ensure that general and flag officer joint duty assignments that require officers with the joint specialty will be designated as requiring a joint specialty officer. Once a position is designated as requiring a joint specialty officer, a non-joint specialty officer can be assigned to the position only if the Secretary deems the assignment of a non-joint specialty officer necessary and waives the requirement to assign a joint specialty officer.”.

SEC. 507. ELIMINATE DISTRIBUTION QUOTAS FOR GENERAL AND FLAG OFFICERS SERVING IN THE GRADES OF O-7 AND O-8.

Section 525 of title 10, United States Code, is amended—

(1) by repealing subsection (a); and

(2) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively.

SEC. 508. ELIMINATE MANDATORY RETIREMENT OF ACTIVE DUTY GENERAL AND FLAG OFFICERS AFTER 30 YEARS OF SERVICE.

(a) **IN GENERAL.**—Sections 635 and 636 of title 10, United States Code, are repealed.

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—(1) Section 637(b) of such title is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

(2) The table of sections at the beginning of subchapter III of chapter 36 of such title is amended by striking the items relating to sections 635 and 636.

SEC. 509. LENGTH OF TERMS FOR THE ASSISTANTS TO THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF FOR NATIONAL GUARD AND RESERVE MATTERS.

Subsection (c) of section 901 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85; 111 Stat. 1853), is amended by striking “for a term of two years and may be continued in that assignment in the same manner for one additional term. However, in time of war there is no limit on the number of terms.”.

SEC. 510. LENGTH OF SERVICE FOR THE SENIOR LEADERS OF THE MILITARY DEPARTMENTS.

(a) **CHIEF OF STAFF OF THE ARMY.**—Paragraph (1) of section 3033(a) of title 10, United States Code, is amended to read as follows:

“(a)(1) There is a Chief of Staff of the Army, appointed for a period of four years by the President, by and with the advice and consent of the Senate, from the general officers of the Army. He serves at the pleasure of the President, and the President may extend the length of service as he determines necessary.”.

(b) **CHIEF OF NAVAL OPERATIONS.**—Paragraph (1) of section 5033(a) of such title is amended to read as follows:

“(a)(1) There is a Chief of Naval Operations, appointed by the President, by and with the advice and consent of the Senate. The Chief of Naval Operations shall be appointed for a term of four years, from officers on the active-duty list in the line of the Navy who are eligible to command at sea and who hold the grade of rear admiral or above. He serves at the pleasure of the President, and the President may extend the length of service as he determines necessary.”.

(c) **COMMANDANT OF THE MARINE CORPS.**—Paragraph (1) of section 5043(a) of such title is amended to read as follows:

"(a)(1) There is a Commandant of the Marine Corps, appointed by the President, by and with the advice and consent of the Senate. The Commandant shall be appointed for a term of four years from officers on the active-duty list of the Marine Corps not below the grade of colonel. He serves at the pleasure of the President, and the President may extend the length of service as he determines necessary."

(d) CHIEF OF STAFF OF THE AIR FORCE.—Paragraph (1) of section 8033(a) of such title is amended to read as follows:

"(a)(1) There is a Chief of Staff of the Air Force, appointed for a period of four years by the President, by and with the advice and consent of the Senate, from the general officers of the Air Force. He serves at the pleasure of the President, and the President may extend the length of service as he determines necessary."

SEC. 511. EXTENDING AGE LIMITS FOR ACTIVE DUTY GENERAL AND FLAG OFFICERS.

Section 1251 of title 10, United States Code, is amended to read as follows:

"§ 1251. Regular commissioned officers; exceptions

"(a)(1) Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps serving in a grade at or above brigadier general or rear admiral (lower half) in the Navy shall be retired on the first day of the month following the month in which the officer becomes 68 years of age.

"(2) Notwithstanding paragraph (1), the Secretary of Defense may defer the retirement of a general or flag officer, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 72 years of age.

"(b)(1) Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps (other than an officer who is a permanent professor, director of admissions, or registrar of the United States Military Academy or United States Air Force Academy or a commissioned warrant officer) serving in a grade below brigadier general or rear admiral (lower half) in the Navy shall be retired on the first day of the month following the month in which he becomes 62 years of age. An officer who is a permanent professor at the United States Military Academy or United States Air Force Academy, the director of admissions at the United States Military Academy, or the registrar of the United States Air Force Academy shall be retired on the first day of the month following the month in which he becomes 64 years of age.

"(2) The Secretary concerned may defer the retirement under paragraph (1) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

"(3) The Secretary concerned may defer the retirement under paragraph (1) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

"(4)(A) Except as provided in subparagraph (B), a deferment under this subsection may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

"(B) The Secretary concerned may extend a deferment under this subsection beyond the day referred to in subparagraph (A) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.

"(5) For purposes of this subsection, a health professions officer is—

"(A) a medical officer;

"(B) a dental officer; or

"(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse."

SEC. 512. LATERAL REASSIGNMENT OF CERTAIN GENERALS AND ADMIRALS.

Subsection (a) of section 601 of title 10, United States Code, is amended to read as follows:

"(a)(1) The President may designate positions of importance and responsibility to carry the grade of general or admiral or lieutenant general or vice admiral. The President may assign to any such position an officer of the Army, Navy, Air Force, or Marine Corps who is serving on active duty in any grade above colonel or, in the case of an officer of the Navy, any grade above captain. An officer assigned to any such position has the grade specified by the President for such position, as provided in paragraph (2).

"(2) An officer may be appointed initially to the grade of general or admiral or lieutenant general or vice admiral if he is appointed to that grade by the President, by and with the advice and consent of the Senate. If the President or Secretary of

Defense reassigns such an officer to another position of importance and responsibility at the same grade, no further appointment to that grade is required unless the position to which the officer is reassigned is established by law.

“(3) Except as provided in subsection (b), the appointment of an officer to a grade under this section for service in a position of importance and responsibility ends on the date of the termination of the assignment of the officer to that position.”.

SEC. 513. LENGTH OF SERVICE FOR THE CHAIRMAN AND VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

(a) CHAIRMAN OF THE JOINT CHIEFS OF STAFF.—Subsection (a) of section 152 of title 10, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) There is a Chairman of the Joint Chiefs of Staff, appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Chairman serves at the pleasure of the President for a term of two years, and the President may appoint the Chairman for additional two-year terms as he determines necessary.”; and

(2) by striking paragraph (3).

(b) VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF.—Paragraph (3) of section 154(a) of such title is amended to read as follows:

“(3) The Vice Chairman serves at the pleasure of the President for a term of two years, and the President may appoint the Vice Chairman for additional two-year terms as he determines necessary.”.

SEC. 514. PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a)(3) of title 10, United States Code, is amended by striking “(other than officers covered in paragraphs (1) and (2))”.

Subtitle B—Reserve Component Management

SEC. 521. REVISED CONCEPT OF INACTIVE DUTY AND REPEAL OF FUNERAL HONORS DUTY.

(a) DEFINITION OF INACTIVE DUTY.—(1) Section 101(d)(7) of title 10, United States Code, is amended by striking “training”.

(2) Section 101(22) of title 37, United States Code, is amended by striking “training”.

(b) COMPENSATION FOR INACTIVE DUTY.—Section 206 of title 37, United States Code, is amended—

(1) by striking “**training**” in the section title;

(2) in subsection (a)(3)—

(A) in subparagraph (A)(ii), by striking “training”; and

(B) in subparagraph (C), by striking “training” each place it appears;

and

(3) in paragraph (1) of subsection (b)—

(A) by inserting “(to include telecommuting)” after “appropriate duties”; and

(B) by inserting “or duty” after “kind of training”.

(b) REPEAL OF FUNERAL HONORS DUTY.—(1)(A) Section 12503 of title 10, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 1213 of such title is amended by striking the item relating to section 12503.

(2)(A) Section 115 of title 32, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 1 of such title 32 is amended by striking the item relating to section 115.

(c) CONFORMING AMENDMENTS.—

(1) Section 802 of title 10, United States Code, is amended—

(A) in paragraph (3) of subsection (a), by striking “inactive-duty training” and inserting “inactive duty”; and

(B) in subsection (d)—

(i) in paragraph (2)(B), by striking “inactive-duty training” and inserting “inactive duty”; and

(ii) in paragraph (5)(B), by striking “inactive-duty training” and inserting “inactive duty”.

(2) Section 803(d) of such title is amended by striking “inactive-duty training” and inserting “inactive duty” each place it appears.

(3) Section 936 of such title is amended—

- (A) in subsection (a), by striking “inactive-duty training” and inserting “inactive duty”; and
- (B) in subsection (b), by striking “inactive-duty training” and inserting “inactive duty”.
- (4) Section 976(a)(1)(C) of such title is amended by striking “inactive-duty training” and inserting “inactive duty”.
- (5) Section 1061(b) of such title is amended by striking “inactive-duty training” each place it appears and inserting “inactive duty”.
- (6) Section 1074a(a) of such title is amended—
 - (A) in paragraph (1)—
 - (i) by striking “inactive-duty training” each place it appears and inserting “inactive duty”; and
 - (ii) by striking subparagraph (C).
 - (B) in paragraph (2)—
 - (i) by striking “inactive-duty training” each place it appears and inserting “inactive duty”; and
 - (ii) by striking subparagraph (C).
 - (C) in paragraph (3), by striking “inactive-duty training” each place it appears and inserting “inactive duty”; and
 - (D) by striking paragraph (4).
- (7) Section 1076(a)(2) of such title is amended—
 - (A) by striking “inactive-duty training” each place it appears and inserting “inactive duty”; and
 - (B) by striking subparagraph (E).
- (8) Section 1086(c)(2)(B) of such title is amended by striking “inactive-duty training” each place it appears and inserting “inactive duty”.
- (9) Section 1175(e)(2) of such title is amended by striking “training”.
- (10) Section 1204 of such title is amended—
 - (A) by striking “**inactive-duty training**” in the section heading and inserting “**inactive duty**”; and
 - (B) in paragraph (2)—
 - (i) by striking “inactive-duty training” each place it appears and inserting “inactive duty”;
 - (ii) by inserting “or” at the end of clause (ii);
 - (iii) by striking “or” at the end of clause (iii); and
 - (iv) by striking subparagraph (C).
- (11) Section 1206 of such title is amended—
 - (A) by striking “**inactive-duty training**” in the section heading and inserting “**inactive duty**”; and
 - (B) by amending paragraph (2) to read as follows:

“(2) the disability is a result of an injury, illness, or disease incurred or aggravated in line of duty while—

 - “(A) performing active duty or inactive duty;
 - “(B) traveling directly to or from the place at which such duty is performed; or
 - “(C) remaining overnight immediately before the commencement of inactive duty, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive duty, if the site is outside reasonable commuting distance of the member’s residence.”.
- (12)(A) Section 12552 is repealed.
- (B) The table of sections at the beginning of chapter 1215 of such title is amended by striking the item relating to 12552.
- (13) Section 1471(b)(3)(A) of such title is amended by striking “training” each place it appears.
- (14) Section 1475 of such title is amended—
 - (A) by striking “**training**” in the heading; and
 - (B) in subsection (a)—
 - (i) in paragraph (2), by striking “training”; and
 - (ii) in paragraph (3), by striking “training” the second and fourth place it appears.
- (15) Section 1476 of such title is amended—
 - (A) by striking “**training**” in the heading; and
 - (B) in subsection (a), by striking “inactive-duty training” each place it appears and inserting “inactive duty”.
- (16) Section 1478(a) of such title is amended—
 - (A) in paragraph (3), by striking “training” each place it appears;
 - (B) in paragraph (7)—

- (i) by striking "training" the first place it appears; and
- (ii) by striking "or training"; and
- (C) in paragraph (8), by striking "training" each place it appears.
- (17) Section 1481(a)(2) of such title is amended—
 - (A) by striking "inactive-duty training" each place it appears and inserting "inactive duty";
 - (B) by striking "; or" at the end of subparagraph (E) and inserting a period; and
 - (C) by striking subparagraph (F).
- (18) Section 2031(d)(2) of such title is amended by striking "training".
- (19) Section 9446(a)(3) of such title is amended by striking "inactive-duty training" and inserting "inactive duty".
- (20) Section 10204(b) of such title is amended by striking "inactive duty training" and inserting "inactive duty".
- (21) Section 12317 of such title is amended by striking "training".
- (22) Section 12319(c) of such title is amended—
 - (A) by striking "inactive-duty training" each place it appears and inserting "inactive duty"; and
 - (B) by striking "that training" and inserting "such duty".
- (23) Section 12602 of such title is amended—
 - (A) in subsection (a)(3), by striking "inactive-duty training" each place it appears and inserting "inactive duty"; and
 - (B) in subsection (b)(3), by striking "inactive-duty training" each place it appears and inserting "inactive duty".
- (24) Section 12603 of such title is amended—
 - (A) by striking "**inactive-duty training**" in the section heading and inserting "**inactive duty**"; and
 - (B) in subsection (a)—
 - (i) by striking "training" the first place it appears; and
 - (ii) by striking "the training" and inserting "such duty".
- (25) Section 12604 of such title is amended—
 - (A) by striking "**inactive-duty training**" in the section heading and inserting "**inactive duty**"; and
 - (B) in subsection (a), by striking "inactive-duty training" and inserting "inactive duty".
- (26) Section 12732(a) of such title is amended in paragraph (2)—
 - (A) by striking subparagraph (E); and
 - (B) by striking "clauses (A), (B), (C), (D), and (E)" and inserting "clauses (A), (B), (C), and (D)".
- (27) Section 18505 of such title is amended—
 - (A) by striking "**inactive-duty training**" in the section heading and inserting "**inactive duty**"; and
 - (B) in subsection (a), by striking "inactive-duty training" each place it appears and inserting "inactive duty".
- (28) Section 114 of title 32, United States Code, is amended by striking the second sentence.
- (29) Section 101(22) of title 37, United States Code, is amended by striking "inactive-duty training" and inserting "inactive duty".
- (30) Section 204 of such title is amended—
 - (A) in subsection (g)(1)—
 - (i) in subparagraph (B), by striking "inactive-duty training" and inserting "inactive duty";
 - (ii) in subparagraph (C), by striking "or training";
 - (iii) in subparagraph (D)—
 - (I) by striking "inactive-duty training" each place it appears and inserting "inactive duty"; and
 - (II) by striking "; or" at the end and inserting a period; and
 - (iv) by striking subparagraph (E); and
 - (B) in subsection (h)(1)—
 - (i) in subparagraph (B), by striking "inactive-duty training" and inserting "inactive duty";
 - (ii) in subparagraph (C), by striking "or training";
 - (iii) in subparagraph (D)—
 - (I) by striking "inactive-duty training" each place it appears and inserting "inactive duty"; and
 - (II) by striking "; or" at the end and inserting a period; and
 - (iv) by striking subparagraph (E).

- (31) Section 205(e)(2)(A) of such title is amended by striking "inactive-duty training" and inserting "inactive duty".
- (32) Section 206 of such title is amended—
- (A) by striking "**inactive-duty training**" in the section heading and inserting "**inactive duty**"; and
 - (B) in subsection (a)(3)—
 - (i) in subparagraph (A)(ii), by striking "inactive-duty training" and inserting "inactive duty";
 - (ii) in subparagraph (B), by striking "or training"; and
 - (iii) in subparagraph (C), by striking "inactive-duty training" each place it appears and inserting "inactive duty".
- (33) Section 308d(a) of such title is amended by striking "for training".
- (34) Section 320(e) of such title is amended by striking "TRAINING" in the heading.
- (35) Section 415 of such title is amended—
- (A) in subsection (a)(3), by striking "inactive-duty training" and inserting "inactive duty"; and
 - (B) in subsection (c)(1), by striking "training status".
- (36) Section 433(d) of such title is amended by striking "inactive-duty training" and inserting "inactive duty".
- (37) Section 552 of such title is amended—
- (A) in subsection (a), by striking "inactive-duty training" each place it appears and inserting "inactive duty"; and
 - (B) in subsection (d), by striking "inactive-duty training" and inserting "inactive duty".
- (38) Section 106(d)(1) of title 38, United States Code, is amended by striking "inactive duty for training" each place it appears and inserting "inactive duty".
- (39) Section 1112(c)(3)(A)(ii) of such title is amended by striking "training" the second place it appears.
- (40) Section 1302(b)(2) of such title is amended by striking "training" the second place it appears.
- (41) Section 1312(a)(2)(A) of such title is amended by striking "training" the second place it appears.
- (42) Section 1965 of such title is amended—
- (A) in paragraph (3), by striking "training";
 - (B) in paragraph (4), by striking "training" the second and third place it appears; and
 - (C) in paragraph (5), by striking "inactive duty for training" each place it appears and inserting "inactive duty".
- (43) Section 1967 of such title is amended—
- (A) in subsection (a)(1)(B), by striking "inactive duty training" and inserting "inactive duty"; and
 - (B) in subsection (b), by striking "inactive duty training" each place it appears and inserting "inactive duty".
- (44) Section 1968 of such title is amended—
- (A) in subsection (a)—
 - (i) by striking "inactive duty training" and inserting "inactive duty";
 - (ii) in paragraph (3)—
 - (I) by striking "inactive duty training" and inserting "inactive duty";
 - (II) by striking "such scheduled training period" and inserting "such scheduled duty";
 - (III) by striking "such period" and inserting "such duty"; and
 - (IV) by striking "such training" and inserting "such duty"; and
 - (B) in subsection (b)(2), by striking "inactive duty training" and inserting "inactive duty".
- (45) Section 1969(a)(3) of such title is amended by striking "inactive duty training" and inserting "inactive duty".
- (46) Section 1977(e) of such title is amended by striking "inactive duty training" and inserting "inactive duty".
- (47) Section 2402(2) of such title is amended by striking "inactive duty training" and inserting "inactive duty".
- (48) Section 4303 of such title is amended—
- (A) in paragraph (13)—
 - (i) by striking "inactive duty training" and inserting "inactive duty"; and

(ii) by striking “, and a period for which a person is absent from employment for the purpose of performing funeral honors duty as authorized by section 12503 of title 10 or section 115 of title 32”; and

(B) in paragraph (16), by striking “inactive duty training” and inserting “inactive duty”.

(49) Section 704 of title 14, United States Code, is amended by striking “inactive-duty training” and inserting “inactive duty”.

(50) Section 705(a) of such title is amended by striking “inactive-duty training” and inserting “inactive duty”.

(51) Section 6323(a)(1) of title 5, United States Code, is amended—

(A) by striking “inactive-duty training” and inserting “inactive duty”; and

(B) by striking “funeral honors duty (as described in section 12503 of title 10 and section 115 of title 32)”.

SEC. 522. AUTHORIZED STRENGTHS OF NAVY AND MARINE CORPS RESERVE FLAG AND GENERAL OFFICERS.

Section 12004 of title 10, United States Code, is amended—

(1) by amending subsection (c) to read as follows:

“(c) The authorized strength of the Navy and Marine Corps under subsection (a) is exclusive of officers counted under section 526 of this title.”;

(2) by striking subsection (d); and

(3) by redesignating subsection (e) as subsection (d).

SEC. 523. MANDATORY RETENTION ON ACTIVE DUTY TO QUALIFY FOR RETIREMENT PAY.

Section 12686 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

“(b) NON-REGULAR RETIREMENT EXCLUSION.—This section does not apply to a member who, if continued on active duty, will only qualify for retirement under chapter 1223 of this title for non-regular service.”.

SEC. 524. AMENDMENT TO THE PURPOSE OF THE RESERVE COMPONENTS.

Subsection 10102 of title 10, United States Code, is amended by striking “, during and after the period needed to procure and train additional units and qualified persons to achieve the planned mobilization,”.

SEC. 525. ACCOUNTING AND MANAGEMENT OF NATIONAL GUARD AND RESERVE PERSONNEL PERFORMING ACTIVE OR FULL-TIME DUTY.

(a) STRENGTH AUTHORIZATIONS.—Section 115 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking “active-duty personnel who” and inserting “active-duty personnel (other than members of a Reserve component described in subsection (b)(2)) who”; and

(B) in subparagraph (B), by inserting before the period at the end the following: “in connection with organizing, administering, recruiting, instructing, or training the reserve components of the armed forces to perform duties as prescribed in section 12310 of this title”;

(2) by striking subsection (h);

(3) by redesignating subsections (b), (c), (d), (e), (f), and (g) as subsections (c), (d), (e), (f), (g), and (h), respectively;

(4) by inserting after subsection (a) the following new subsection (b):

“(b) CERTAIN RESERVES ON ACTIVE DUTY TO BE AUTHORIZED BY LAW.—Except as authorized under subsection (a)(1), Congress shall authorize the maximum average strength for members of a Reserve component on active duty (other than for training) or full time National Guard duty (other than for training) who are to be paid from funds appropriated for—

“(1) reserve personnel; or

“(2) active duty personnel, to include funds reimbursed to reserve appropriations for National Guard or reserve personnel to perform active duty or full-time National Guard duty provided—

“(A) the period of duty is for three years or less; and

“(B) the cumulative periods of active duty (other than for training) and full-time National Guard duty (other than for training) performed by the member in the previous 1460 days is less than 1095 days.”;

(5) in subsection (e) (as redesignated by paragraph (3))—

(A) in paragraph (1), by striking “subsection (a) or (c)” and inserting “subsection (a) or (d); and

(B) in paragraph (2)—

- (i) by striking “subsection (a) and (c)”; and inserting “subsection (a) and (d)”;
- (ii) by striking “subsection (a) (as such levels may be adjusted pursuant to subsection (e)) and subsection (c)” and inserting “subsection (a) (as such levels may be adjusted pursuant to subsection (f)) and subsection (d)”;
- (iii) by striking “subsection (a) (as adjusted pursuant to subsection (e)) and subsection (c)” and inserting “subsection (a) (as adjusted pursuant to subsection (f)) and subsection (d)”;
- (6) in subsection (f) (as redesignated by paragraph (3))—
 - (A) by striking “END” in the heading;
 - (B) by striking “and” at the end of paragraph (2);
 - (C) in paragraph (3), by striking the period and inserting “; and”; and
 - (D) by adding at the end the following new paragraph:

“(4) increase the strength authorized pursuant to subsection (b), notwithstanding the restrictions of subparagraph (A) and (B) of paragraph (2), for a fiscal year for any of the armed forces by a number equal to the number of members—

 - “(A) of a reserve component of that armed force on active duty in support of a contingency operation;
 - “(B) of the National Guard called into Federal service under section 12406 of this title;
 - “(C) of the militia called into Federal service under chapter 15 of this title; and
 - “(D) of a reserve component called to or retained on active duty under section 12301(g), 12301(h) or 12322 of this title.”; and
- (7) in paragraph (2) of subsection (g) (as redesignated by paragraph (3)), by striking “subsection (e)(1)” and inserting “subsection (f)(1)”.

(b) MILITARY TO MILITARY CONTACT STRENGTH ACCOUNTING.—Section 168 of such title is amended—

 - (1) by striking subsection (f); and
 - (2) by redesignating subsection (g) as subsection (f).

(c) E-8 AND E-9 STRENGTH ACCOUNTING.—Subsection (a) of section 517 of such title is amended by striking “(other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve component of an armed force” and inserting “as authorized under section 115(a)(1)(B) or (b) of this title”.

(d) FIELD GRADE OFFICER STRENGTH ACCOUNTING.—Subparagraph (B) of section 523(b)(1) of such title is amended to read as follows:

“(B) on active duty or full-time National Guard duty as authorized under section 115(a)(1)(B) or (b) of this title.”
- (e) ACTIVE GUARD AND RESERVE FIELD GRADE OFFICER STRENGTH ACCOUNTING.—Paragraph (2) of section 12011(e) of such title is amended by inserting before the period at the end the following: “in connection with organizing, administering, recruiting, instructing, or training members of the National Guard”.
- (f) WARRANT OFFICER ACTIVE-DUTY LIST EXCLUSION.—Paragraph (1) of section 582 of such title is amended—
 - (1) by inserting “or” after the semicolon at the end of subparagraph (A);
 - (2) by amending subparagraph (B) to read as follows:

“(B) on active duty or full-time National Guard duty as authorized under section 115(a)(1)(B) or (b) of this title”; and
 - (3) by striking subparagraphs (C), (D), and (E).
- (g) OFFICER ACTIVE-DUTY LIST, APPLICABILITY OF CHAPTER.—Paragraph (1) of section 641 of such title 10, United States Code, is amended—
 - (1) by inserting “or” after the semicolon at the end of subparagraph (A);
 - (2) by amending subparagraph (B) to read as follows:

“(B) on active duty or full-time National Guard duty as authorized under section 115(a)(1)(B) or (b) of this title.”; and
 - (3) by striking subparagraphs (C), (D), (E), (F), (G), and (H).
- (h) STRENGTH ACCOUNTING FOR MEMBERS PERFORMING DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.—Section 112 of title 32, United States Code, is amended—
 - (1) by amending subsection (e) to read as follows:

“(e) STRENGTH ACCOUNTING.—Members of the National Guard on active duty or full-time National Guard duty for the purposes of administering this section shall be accounted for under section 115(b) of title 10.”; and
 - (2) in subsection (f)(1), by striking “for a period of more than 180 days” each place it appears.

SEC. 526. WAIVE REQUIREMENT THAT RESERVE CHIEFS AND NATIONAL GUARD DIRECTORS MUST HAVE SIGNIFICANT JOINT DUTY EXPERIENCE.

(a) CHIEF OF ARMY RESERVE.—Section 3038(b)(4) of title 10, United States Code, is amended by striking “Until December 31, 2004, the” and inserting “The”.

(b) CHIEF OF NAVAL RESERVE.—Section 5143(b)(4) of such title is amended by striking “Until December 31, 2004, the” and inserting “The”.

(c) COMMANDER MARINE FORCES RESERVE.—Section 5144(b)(4) of such title is amended by striking “Until December 31, 2004, the” and inserting “The”.

(d) CHIEF OF AIR FORCE RESERVE.—Section 8038(b)(4) of such title is amended by striking “Until December 31, 2004, the” and inserting “The”.

(e) DIRECTOR, ARMY NATIONAL GUARD AND DIRECTOR, AIR NATIONAL GUARD.—Section 10506(a)(3)(D) of such title is amended by striking “Until December 31, 2004, the” and inserting “The”.

SEC. 527. EXTENDING AGE LIMITS FOR RESERVE AND NATIONAL GUARD GENERAL AND FLAG OFFICERS.

(a) MAXIMUM AGE FOR RESERVE COMPONENT GENERAL AND FLAG OFFICERS.—(1) Section 14511 of title 10, United States Code, is amended to read as follows:

“§ 14511. Separation at age 68: reserve officers in grades above colonel or Navy captain

“(a) MAXIMUM AGE.—Unless retired, transferred to the Retired Reserve, or discharged at an earlier date, each reserve officer of the Army, Air Force, or Marine Corps in a grade above colonel and each reserve officer of the Navy in a grade above captain shall be separated in accordance with section 14515 of this title on the last day of the month in the month in which the officer becomes 68 years of age.

“(b) RETENTION BEYOND AGE 68.—Notwithstanding subsection (a), the Secretary of Defense may defer the retirement of a reserve officer serving in a grade above colonel in the case of the Army, Air Force, or Marine Corps, or a reserve officer serving in a grade above captain in the case of the Navy, but such a deferment may not extend beyond the last day of the month following the month in which the officer becomes 72 years of age.”

(2) Sections 14510 and 14512 of such title are repealed.

(b) REPEAL YEARS OF SERVICE REQUIREMENT FOR RESERVE COMPONENT GENERAL AND FLAG OFFICER.—Section 14508 of such title is repealed.

(c) ELIMINATION OF TERM LIMITATION FOR RESERVE COMPONENT GENERAL AND FLAG OFFICER POSITIONS.—(1) Section 10502 of such title is amended—

(A) by striking subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(2) Subsection (a) of section 10505 of such title is amended—

(A) by striking paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3).

(3) Subsection (c) of section 3038 of such title is amended to read as follows:

“(c) GRADE.—The Chief of Army Reserve, while so serving, holds the grade of lieutenant general.”

(4) Subsection (c) of section 5143 of such title is amended to read as follows:

“(c) GRADE.—The Chief of Naval Reserve, while so serving, holds the grade of vice admiral.”

(5) Subsection (c) of section 5144 of such title is amended to read as follows:

“(c) GRADE.—The Commander, Marine Forces Reserve, while so serving, holds the grade of lieutenant general.”

(6) Subsection (c) of section 8038 of such title is amended to read as follows:

“(c) GRADE.—(1) The Chief of Air Force Reserve, while so serving, holds the grade of lieutenant general.”

(7) Paragraph (3) of section 10506(a) of such title is amended by striking subparagraph (E).

(d) CONFORMING AMENDMENTS.—(1) Section 10214 of such title is amended by striking “sections 12004(b)(1), 12215, 12642(c), 14507(b), 14508(e), and 14512” and inserting “sections 12004(b)(1), 12215, 12642(c), and 14507(b)”.

(2) Section 14514 of such title is amended by striking “section 14507, 14508, 14704, or 14705” and inserting “section 14507, 14704, or 14705”.

(3) Section 14515 of such title is amended by striking “section 14509, 14510, 14511, or 14512” and inserting “section 14509 or 14511”.

(4) Section 14702 of such title is amended by striking “section 14506, 14507, or 14508” and inserting “section 14506 or 14507”.

(5) Section 14705 of such title is repealed.

(6) The table of sections at the beginning of chapter 1407 of such title is amended—

(A) by amending the item relating to section 14511 to read as follows:

"14511. Separation at age 68: reserve officers in grades above colonel or Navy captain";
and

(B) by striking the items relating to sections 14508, 14510, and 14512.

(7) Subsection (a) of section 324 of title 32, United States Code, is amended by striking "An officer" and inserting "Except as provided in section 14511 of title 10, an officer".

SEC. 528. EXPANDED USE OF RESERVE COMPONENT MEMBERS TO PERFORM DEVELOPMENTAL TESTING AND NEW EQUIPMENT TRAINING.

(a) REIMBURSEMENT.—The Secretary of the Army may transfer from funds available to support an acquisition program the amount necessary to reimburse the appropriate reserve component military personnel account for costs charged that account for military pay and allowances in connection with the demonstration program described in subsection (b).

(b) DEMONSTRATION PROGRAM.—(1) A demonstration program under this section shall evaluate—

(A) cost savings and other benefits that may result from the use of members of the reserve components to perform test, evaluation, and related activities for an acquisition program, rather than the use of contractor personnel for such purposes; and

(B) the use of appropriations available for multi-year research, development, testing and evaluation and procurement to reimburse reserve components for the pay, allowances, and expenses incurred when such members perform duties to conduct acquisition, logistics, and new equipment training activities in connection with the demonstration program.

(2) Nothing in this section authorizes a deviation from established Reserve and National Guard personnel and training procedures.

(c) LIMITATION ON AMOUNT.—Not more than \$10,000,000 may be transferred under this section during each year of the demonstration program.

(d) MERGER OF TRANSFERRED FUNDS.—Funds transferred to an account under this section shall be merged with other sums in the account and shall be available for the same period and purposes as the sums with which merged.

(e) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority under this section is in addition to any other transfer authority.

(f) TERMINATION.—The demonstration program under this section shall terminate on September 30, 2009.

Subtitle C—ROTC and Military Service Academies

SEC. 531. INSTITUTIONS OF HIGHER EDUCATION THAT PREVENT ROTC ACCESS OR MILITARY RECRUITING ON CAMPUS; EQUAL TREATMENT WITH OTHER EMPLOYERS.

Section 983(b)(1) of title 10, United States Code, is amended by striking "; or" at the end and inserting "; that is at least equal in quality and scope to that provided to any other employer; or".

SEC. 532. BOARD OF VISITORS; UNITED STATES AIR FORCE ACADEMY; UNITED STATES MILITARY ACADEMY; UNITED STATES NAVAL ACADEMY.

(a) UNITED STATES AIR FORCE ACADEMY.—Section 9355 of title 10, United States Code, is amended to read as follows:

"§ 9355. Board of Visitors

"(a) A Board of Visitors to the Academy is constituted annually of—

"(1) two members of the Senate designated by the Vice President or the President pro tempore of the Senate;

"(2) one person, who is not a member of the Senate, as designated by the Vice President or the President pro tempore of the Senate;

"(3) three members of the House of Representatives designated by the Speaker of the House of Representatives;

"(4) one person, who is not a member of the House of Representatives, designated by the Speaker of the House of Representatives; and

"(5) eight persons designated by the President, or his designee.

"(b) All Board members will pledge full participation in executing their responsibilities to the Board. The persons designated by the President serve for three years each except that any member whose term of office has expired shall continue to serve until his successor is appointed. The President shall designate replacement members each year to succeed the members appointed by the President whose terms

expire that year. At least two persons designated by the President shall be graduates of the Air Force Academy.

"(c) If a member of the Board dies or resigns, a successor shall be designated for the unexpired portion of the term by the official who designated the member. If a member fails to attend or fully participate in two successive Board meetings, Board membership will be automatically terminated, unless granted prior excusal from those meetings, for good cause, by the Board Chairman.

"(d) When possible, the Board should meet at least four times a year, with at least two of those meetings at the Academy. The Board or its members may make other visits to the Academy in connection with the duties of the Board.

"(e) Board meetings should last at least one full day. The Board shall inquire into the morale, discipline, and social climate, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Academy which the Board decides to consider and receive candid and complete disclosure, consistent with applicable laws concerning disclosure of information, by the Secretary of the Air Force and Academy Superintendent of all institutional problems, and to recommend appropriate action. Board members shall have unfettered access to Academy grounds and cadets.

"(f) Within 30 days after any meeting, the Board shall submit a written report to the Secretary of Defense, through the Secretary of the Air Force, with its views and recommendations pertaining to the Academy.

"(g) Upon approval by the Secretary, the Board may call in advisers for consultation.

"(h) While performing duties, each member of the Board and each adviser shall be reimbursed under Government travel regulations for travel expenses."

(b) UNITED STATES MILITARY ACADEMY.—Section 4355 of such title is amended to read as follows:

"§ 4355. Board of Visitors

"(a) A Board of Visitors to the Academy is constituted annually of—

"(1) two members of the Senate designated by the Vice President or the President pro tempore of the Senate;

"(2) one person, who is not a member of the Senate, as designated by the Vice President or the President pro tempore of the Senate;

"(3) three members of the House of Representatives designated by the Speaker of the House of Representatives;

"(4) one person, who is not a member of the House of Representatives, designated by the Speaker of the House of Representatives; and

"(5) eight persons designated by the President, or his designee.

"(b) All Board members will pledge full participation in executing their responsibilities to the Board. The persons designated by the President serve for three years each except that any member whose term of office has expired shall continue to serve until his successor is appointed. The President shall designate replacement members each year to succeed the members appointed by the President whose terms expire that year. At least two persons designated by the President shall be graduates of the United States Military Academy.

"(c) If a member of the Board dies or resigns, a successor shall be designated for the unexpired portion of the term by the official who designated the member. If a member fails to attend or fully participate in two successive Board meetings, Board membership will be automatically terminated, unless granted prior excusal from those meetings, for good cause, by the Board Chairman.

"(d) When possible, the Board should meet at least four times a year, with at least two of those meetings at the Academy. The Board or its members may make other visits to the Academy in connection with the duties of the Board.

"(e) Board meetings should last at least one full day. The Board shall inquire into the morale, discipline, and social climate, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Academy which the Board decides to consider and receive candid and complete disclosure, consistent with applicable laws concerning disclosure of information, by the Secretary of the Army and Academy Superintendent of all institutional problems, and to recommend appropriate action. Board members shall have unfettered access to Academy grounds and cadets.

"(f) Within 30 days after any meeting, the Board shall submit a written report to the Secretary of Defense, through the Secretary of the Army, with its views and recommendations pertaining to the Academy.

"(g) Upon approval by the Secretary, the Board may call in advisers for consultation.

"(h) While performing duties, each member of the Board and each adviser shall be reimbursed under Government travel regulations for travel expenses."

(c) UNITED STATES NAVAL ACADEMY.—Section 6968 of such title is amended to read as follows:

"§ 6968. Board of Visitors

"(a) A Board of Visitors to the Naval Academy is constituted annually of—

"(1) two members of the Senate designated by the Vice President or the President pro tempore of the Senate;

"(2) one person, who is not a member of the Senate, as designated by the Vice President or the President pro tempore of the Senate;

"(3) three members of the House of Representatives designated by the Speaker of the House of Representatives;

"(4) one person, who is not a member of the House of Representatives, designated by the Speaker of the House of Representatives; and

"(5) eight persons designated by the President, or his designee.

"(b) All Board members will pledge full participation in executing their responsibilities to the Board. The persons designated by the President serve for three years each except that any member whose term of office has expired shall continue to serve until his successor is appointed. The President shall designate replacement members each year to succeed the members appointed by the President whose terms expire that year. At least two persons designated by the President shall be graduates of the United States Naval Academy.

"(c) If a member of the Board dies or resigns, a successor shall be designated for the unexpired portion of the term by the official who designated the member. If a member fails to attend or fully participate in two successive Board meetings, Board membership will be automatically terminated, unless granted prior excusal from those meetings, for good cause, by the Board Chairman.

"(d) When possible, the Board should meet at least four times a year, with at least two of those meetings at the Academy. The Board or its members may make other visits to the Academy in connection with the duties of the Board.

"(e) Board meetings should last at least one full day. The Board shall inquire into the morale, discipline, and social climate, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Academy which the Board decides to consider and receive candid and complete disclosure, consistent with applicable laws concerning disclosure of information, by the Secretary of the Navy and Academy Superintendent of all institutional problems, and to recommend appropriate action. Board members shall have unfettered access to Academy grounds and cadets.

"(f) Within 30 days after any meeting, the Board shall submit a written report to the Secretary of Defense, through the Secretary of the Navy, with its views and recommendations pertaining to the Academy.

"(g) Upon approval by the Secretary, the Board may call in advisers for consultation.

"(h) While performing duties, each member of the Board and each adviser shall be reimbursed under Government travel regulations for travel expenses."

SEC. 533. DEAN OF THE FACULTY; DEAN OF ACADEMIC BOARD.

(a) UNITED STATES AIR FORCE ACADEMY.—Section 9335 of title 10, United States Code, is amended to read as follows:

"§ 9335. Dean of the Faculty

"(a) There shall be a Dean of the Faculty at the Academy responsible to the Superintendent for developing and sustaining the curriculum and overseeing the faculty. Notwithstanding any other provision in law, the qualifications, selection procedures, training, retention, and determinations of appropriate pay grade of the Dean of Faculty shall be prescribed by the Secretary of the Air Force. Candidates for Dean of Faculty shall be serving officers or retired or former officers with terminal degrees. The Dean may be either a military officer or a civilian.

"(b) While serving as Dean of the Faculty, an officer incumbent who holds a grade lower than brigadier general shall hold the grade of brigadier general, if appointed to that grade by the President, by and with the advice and consent of the Senate. The retirement age of an officer so appointed is that of a permanent professor of the Academy. An officer so appointed is counted for purposes of the limitation in section 526(a) of this title on general officers of the Air Force on active duty. A civilian incumbent will be designated as a member of the Senior Executive Service."

(b) UNITED STATES MILITARY ACADEMY.—Section 4335 of such title is amended to read as follows:—

“§ 4335. Dean of Academic Board

“(a) There shall be a Dean of the Academic Board at the Academy responsible to the Superintendent for developing and sustaining the curriculum and overseeing the faculty. Notwithstanding any other provision in law, the qualifications, selection procedures, training, retention, and determinations of appropriate pay grade of the Dean of the Academic Board shall be prescribed by the Secretary of the Army. Candidates for Dean of Faculty shall be serving officers or retired or former officers with terminal degrees. The Dean may be either a military officer or a civilian.

“(b) While serving as Dean of the Academic Board, an officer incumbent who holds a grade lower than brigadier general shall hold the grade of brigadier general, if appointed to that grade by the President, by and with the advice and consent of the Senate. The retirement age of an officer so appointed is that of a permanent professor of the Academy. An officer so appointed is counted for purposes of the limitation in section 526(a) of this title on general officers of the Army on active duty. A civilian incumbent will be designated as a member of the Senior Executive Service.”.

SEC. 534. REPEAL OF REQUIREMENT THAT MILITARY ACADEMY SUPERINTENDENTS RETIRE AFTER ASSIGNMENT.

(a) REPEAL.—Sections 3921, 4333a, 6371, 6951a, 8921 and 9333a of title 10, United States Code, are repealed.

(b) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 367 of such title is amended by striking the item relating to section 3921.

(2) The table of sections at the beginning of chapter 403 of such title is amended by striking the item relating to section 4333a.

(3) The table of sections at the beginning of chapter 573 of such title is amended by striking the item relating to section 6371.

(4) The table of sections at the beginning of chapter 603 of such title is amended by striking the item relating to section 6951a.

(5) The table of sections at the beginning of chapter 867 of such title is amended by striking the item relating to section 8921.

(6) The table of sections at the beginning of chapter 903 of such title is amended by striking the item relating to section 9333a.

Subtitle D—Other Military Education and Training Matters

SEC. 541. EDUCATION LOAN REPAYMENTS FOR HEALTH PROFESSIONS OFFICERS OF THE RESERVE COMPONENTS.

Section 16302(a)(5) of title 10, United States Code, is amended by inserting “a basic professional qualifying degree (as determined under regulations issued by the Secretary of Defense) or graduate education in” after “regarding”.

SEC. 542. CONFERRAL OF DEGREES TO GRADUATES OF THE COMMUNITY COLLEGE OF THE AIR FORCE.

(a) AUTHORITY TO CONFER DEGREES.—Section 9315(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “Air Education and Training Command of the Air Force” and inserting “Air University”; and

(2) in paragraph (2), by striking “Air Education and Training Command of the Air Force” and inserting “Air University”.

(b) Section 9317 of such title is amended—

(1) in the section heading, by striking “graduate-level degrees” and inserting “graduate and associate-level degrees”;

(2) by striking “and” at the end of paragraph (2);

(3) by striking the period at the end of paragraph (3) and inserting “; and”; and

(4) by adding at the end the following new paragraph:

“(4) an associate level degree upon graduates of the Community College of the Air Force.”.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 901 of such title is amended by striking the item relating to section 9317 and inserting the following:

“9317. Air University: graduate and associate-level degrees”.

SEC. 543. THREE YEAR EDUCATIONAL LEAVE OF ABSENCE.

Section 708(a) of title 10, United States Code, is amended by striking "two years" and inserting "three years".

SEC. 544. LENGTH OF PHASE II JOINT PROFESSIONAL MILITARY EDUCATION.

Section 663 of title 10, United States Code, is amended by striking subsection (e).

SEC. 545. CHANGING THE TITLES OF THE HEADS OF THE NAVAL POSTGRADUATE SCHOOL.

(a) PRESIDENT OF THE NAVAL POSTGRADUATE SCHOOL.—(1) Section 7042 of title 10, United States Code, is amended—

(A) by striking "**Superintendent**" in the section heading and inserting "**President**"; and

(B) by striking "Superintendent" each place it appears and inserting "President";

(2) Section 7044 of such title is amended by striking "Superintendent" and inserting "President";

(3) Subsection 7048(a) of such title is amended by striking "Superintendent" and inserting "President"; and

(4) Subsection 7049(e) of such title is amended by striking "Superintendent" and inserting "President".

(b) PROVOST AND ACADEMIC DEAN.—(1) Section 7043 of title 10, United States Code, is amended—

(A) by amending the section heading to read as follows:

"§ 7043. Provost and Academic Dean";

(B) by amending subsection (a) to read as follows:

"(a) There is at the Naval Postgraduate School the single civilian position of Provost and Academic Dean. The Provost and Academic Dean shall be appointed, to serve for periods of not more than five years, by the Secretary of the Navy after consultation with the Naval Postgraduate School Board of Advisors and consideration of the recommendation of the leadership and faculty of the Naval Postgraduate School."; and

(C) in subsection (b), by striking "Academic Dean" and inserting "Provost and Academic Dean".

(2) Section 5102(c)(10) of title 5, United States Code, is amended by striking "Academic Dean" and inserting "Provost and Academic Dean".

(3) Section 7081(a) of title 10, United States Code, is amended by striking "Academic Dean" and inserting "Provost and Academic Dean".

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 605 of such title is amended by striking the items related to sections 7042 and 7043 and inserting the following new items:

"7042. President: assistants.

"7043. Provost and Academic Dean.".

SEC. 546. NEW MISSION STATEMENT AND EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL AT THE NAVAL POSTGRADUATE SCHOOL.

(a) COMBAT RELATED FOCUS OF THE NAVAL POSTGRADUATE SCHOOL.—(1) Section 7041 of title 10, United States Code, is amended to read as follows:

"§ 7041. Function

"There is a United States Naval Postgraduate School that provides advanced instruction, and technical and professional education to military members to enhance combat effectiveness and our national security."

(2) Section 7042(b)(1) of such title is amended by striking "advanced instruction and technical education" and inserting "advanced instruction, and technical and professional education".

(b) EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL.—Section 7045 of such title is amended—

(1) by striking "**Officers of the armed forces; enlisted members**" in the section heading and inserting "**Members of the other armed forces**";

(2) by striking "officers" each place it appears and inserting "members"; and

(3) in subsection (a)—

(A) by striking "(1)"; and

(B) by striking paragraph (2).

(c) REIMBURSEMENT OF COSTS.—Subsection (b) of such section is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

(d) RECIPROCAL AGREEMENTS.—Section 7047 of such title is amended by striking “an officer” and inserting “a member”.

(e) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 605 of such title is amended by striking the item relating to section 7045 and inserting the following:

“7045. Members of other armed forces: admission.”

Subtitle E—Administrative Matters

SEC. 551. ANNUAL REPORT TO CONGRESS CONCERNING JOINT OFFICER MANAGEMENT.

Section 667 of title 10, United States Code, is amended to read as follows:

“§ 667. Annual report to Congress

“The Secretary of Defense shall include in the annual report of the Secretary to Congress under section 113(c) of this title, for the period covered by the report, the following information (which shall be shown for the Department of Defense as a whole and separately for the Army, Navy, Air Force, and Marine Corps):

“(1) The number of joint specialty officers, reported by grade and by branch or specialty.

“(2) An assessment of the extent to which the Secretary of each military department is assigning personnel to joint duty assignments in accordance with this chapter and the policies, procedures, and practices established by the Secretary of Defense under section 661(a) of this title.

“(3) The number of waivers granted under section 619a(b)(1) of this title for officers in the grade of colonel or, in the case of the Navy, captain, for each of the years preceding the year in which the report is submitted.

“(4) The officers whose service in joint duty assignments during the year covered by the report terminated before the officers completed the full tour of duty in those assignments, expressed as a percent of the total number of officers in joint duty assignments during that year.

“(5) The percentage of fill of student quotas for each course of the National Defense University for the year covered by the report.

“(6) A list of the joint task force headquarters in which service was approved for crediting as a joint duty assignment for the year covered by the report.

“(7) A comparison of the promotion rates for officers serving in or who have served in joint duty assignments and were considered for promotion within the promotion zone, with the promotion rates for other officers in the same grade and the same competitive category who are serving in the armed force concerned and were considered for promotion within the promotion zone.

“(8) If any of the comparisons in paragraph (7) indicate that the promotion rates for officers fail to meet the objective set forth in section 662(a) of this title, information on the failure and on what action the Secretary has taken or plans to take to prevent further failures.

“(9) Any other information relating to joint officer management that the Secretary of Defense considers significant.”.

SEC. 552. REVISED DEFINITIONS APPLICABLE TO JOINT DUTY.

Section 668 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking “The Secretary shall publish a list showing” and inserting “The Secretary shall publish a Joint Duty Assignment List that will show”; and

(2) in subsection (c), by striking “a tour of duty in which an officer serves in more than one joint duty assignment within the same organization without a break between such assignments shall be considered to be a single tour of duty in a joint duty assignment” and inserting “a single tour of duty for the purpose of awarding joint duty credit can be defined as one in which the officer serves consecutive tours in joint duty assignment positions that award joint duty credit, or service as otherwise prescribed by the Secretary of Defense”.

Subtitle F—Military Justice Matters

SEC. 561. WAIVE TIME LOST WHEN A MEMBER IS ACQUITTED, RELEASED WITHOUT TRIAL, OR HAS HIS CONVICTION SET-ASIDE OR REVERSED ON APPEAL.

Section 972 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting “, unless the confinement is excused as unavoidable” after “the trial”; and

(2) in subsection (b)(3), by inserting “, unless the confinement is excused as unavoidable” after “the trial”.

SEC. 562. CHANGE IN UNIFORM CODE OF MILITARY JUSTICE RELATING TO BLOOD ALCOHOL CONCENTRATION.

Subsection (b) of section 911 of title 10, United States Code, is amended by striking “0.10” in the two places it appears and inserting “0.08”.

Subtitle G—Benefits

SEC. 571. IMMEDIATE LUMP SUM REIMBURSEMENT FOR UNUSUAL NONRECURRING EXPENSES OUTSIDE THE CONTINENTAL UNITED STATES.

Section 405 of title 37, United States Code, is amended by adding at the end the following new subsection:

“(d) NONRECURRING EXPENSES.—In addition to the per diem paid under subsection (a), the Secretaries concerned may reimburse members for actual non-recurring expenses incurred incident to being on duty outside of the United States or in Hawaii or Alaska. The nonrecurring expenses which may be reimbursed are expenses directly related to the conditions or location of the assignment either of a nature or a magnitude not normally incurred by members assigned inside the continental United States and not included in the per diem paid under subsection (b).”.

SEC. 572. REPEAL OF REQUIREMENT TO PAY SUBSISTENCE CHARGES WHILE HOSPITALIZED.

Section 1075 of title 10, United States Code, is repealed.

Subtitle H—Other Matters

SEC. 581. ALTERNATE INITIAL MILITARY SERVICE OBLIGATION FOR PERSONS WITH SPECIALIZED SKILLS.

Subsection (a) of section 651 of title 10, United States Code, is amended to read as follows:

“(a)(1) Each person who becomes a member of an armed force, other than a person described in paragraph (2), shall serve in the armed forces for a total initial period of not less than six years nor more than eight years, as provided in regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Homeland Security for the Coast Guard when it is not operating as a service in the Navy, unless such person is sooner discharged under such regulations because of personal hardship. Any part of such service that is not active duty or that is active duty for training shall be performed in a reserve component.

“(2) A person is not subject to paragraph (1) if that person—

“(A) is deferred under the next to the last sentence of section 6(d)(1) of the Military Selective Service Act (50 U.S.C. App. 456(d)(1)); or

“(B) is accessed into the armed forces based on unique skills acquired in a civilian occupation, as determined by the Secretary concerned, and will serve in a specialty requiring those skills.”.

SEC. 582. BASIC TRAINING REQUIREMENT FOR CERTAIN MEMBERS WITH SPECIALIZED SKILLS.

Paragraph (1) of section 671(c) of title 10, United States Code, is amended to read as follows:

“(1) Under regulations prescribed under paragraph (2), a period of basic training (or equivalent training) shorter than 12 weeks may be established by the Secretary concerned for members of the armed forces who—

“(A) have been credentialed in a medical profession or occupation and are serving in a health-care occupational specialty; or

“(B) have unique skills acquired in a civilian occupation, as determined by the Secretary concerned, and will serve in a military specialty or position requiring those skills.

Any such period shall be established under regulations prescribed under paragraph (2) and may be established notwithstanding section 4(a) of the Military Selective Service Act (50 U.S.C. App. 454(a)).”

SEC. 583. ELIMINATE MANDATORY TERMS OF OFFICE FOR CERTAIN GENERAL AND FLAG STAFF OFFICERS.

(a) ARMY.—

(1) CHIEFS OF BRANCHES.—Section 3036 of title 10, United States Code, is amended—

(A) by repealing subsection (c); and

(B) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(2) JUDGE ADVOCATE GENERAL AND ASSISTANT JUDGE ADVOCATE GENERAL.—Section 3037(a) of such title is amended by striking “An officer appointed as the Judge Advocate General or Assistant Judge Advocate General normally holds office for four years. However, the President may terminate or extend the appointment at any time.”

(3) DEPUTY AND ASSISTANT CHIEFS OF BRANCHES.—Section 3039(a) of such title is amended by striking “for a tour of duty of not more than four years.”

(4) CHIEF OF ARMY NURSE CORPS.—Section 3069(b) of such title is amended by striking “, but not for more than four years, and may not be reappointed to the same position”.

(5) CHIEF OF THE ARMY MEDICAL SPECIALIST CORPS.—Section 3070(b) of such title is amended by striking “, but not for more than four years, and may not be reappointed”.

(b) NAVY/MARINE CORPS.—

(1) CHIEF OF THE BUREAU OF MEDICINE AND SURGERY.—Section 5137(a) of such title is amended by striking “for a term of four years.”

(2) CHIEF OF THE BUREAU OF NAVAL PERSONNEL.—Section 5141(a) of such title is amended by striking “for a term of four years.”

(3) CHIEF OF CHAPLAINS.—Subsection (c) of section 5142 of such title is repealed.

(4) JUDGE ADVOCATE GENERAL.—Section 5148(b) of such title is amended by striking “, for a term of four years”.

(5) DIRECTOR OF THE NURSE CORPS OR DIRECTOR OF THE MEDICAL SERVICE CORPS.—Section 5150(c) of such title is amended by striking “for a term of four years.”

(c) AIR FORCE JUDGE ADVOCATE GENERAL AND DEPUTY JUDGE ADVOCATE GENERAL.—Section 8037(a) of such title is amended—

(1) in subsection (a), by striking “The term of office is four years, but may be sooner terminated or extended by the President.”; and

(2) in subsection (d)(1), by striking “The term of office of the Deputy Judge Advocate General is four years, but may be sooner terminated or extended by the President.”.

SEC. 584. PROHIBIT COURT ORDERED PAYMENTS BEFORE RETIREMENT BASED ON IMPUTATION OF RETIRED PAY.

(a) IN GENERAL.—Section 1408(c)(3) of title 10, United States Code, is amended—

(1) by inserting “(A)” after “(3)”; and

(2) by adding at the end the following new subparagraph:

“(B) Notwithstanding any other provision of law, a court may not order a member to make payments based upon an imputation of a property interest in future retired pay of any kind to a spouse or former spouse before the date of the member’s actual retirement.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to final court orders or court orders seeking enforcement of prior final decrees issued on or after the enactment of this Act.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. TERMINATION OF ASSIGNMENT INCENTIVE PAY FOR MEMBERS ON TERMINAL LEAVE.

Paragraph (e) of section 307a of title 37, United States Code, is amended by inserting before the period at the end the following: “, other than terminal leave when the member will not be returning to the assignment”.

SEC. 602. MORE FLEXIBLE RETIREMENT RULES FOR MILITARY OFFICERS.

(a) IN GENERAL.—Section 1370 of title 10, United States Code, is amended to read as follows:

“§ 1370. Commissioned officers: general rule; exceptions

“(a) RULE FOR RETIREMENT IN HIGHEST GRADE HELD SATISFACTORILY.—(1) Unless entitled to a higher retired grade under some other provision of law, a commissioned officer (other than a commissioned warrant officer) of the Army, Navy, Air Force, or Marine Corps who retires under any provision of law other than chapter 61 or chapter 1223 of this title shall, subject to the criteria specified under paragraph (2) or (3), be retired in the highest grade in which he served on active duty satisfactorily, as determined by the Secretary concerned.

“(2) In order to be eligible for voluntary retirement in a grade at or below the grade of major or lieutenant commander, a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than six months.

“(3)(A) In order to be eligible for voluntary retirement in a grade above major or lieutenant commander and below brigadier general or rear admiral (lower half), a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than three years, except that the Secretary of Defense may authorize the Secretary concerned to reduce such period to a period not less than two years.

“(B) An officer at or above the grade of brigadier general or rear admiral (lower half) may be retired in the highest grade in which he served on active duty satisfactorily, upon approval by the Secretary concerned and concurrence by the Secretary of Defense or another civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate, to which the Secretary of Defense has delegated such authority.

“(C) The President may waive subparagraph (A) in individual cases involving extreme hardship or exceptional or unusual circumstances. The authority of the President under the preceding sentence may not be delegated.

“(4) A reserve or temporary officer who is notified that he will be released from active duty without his consent, and thereafter requests retirement under section 3911, 6323, or 8911 of this title and is retired pursuant to that request, is considered for purposes of this section to have been retired involuntarily. An officer retired pursuant to section 1186(b)(1) of this title is considered for purposes of this section to have been retired voluntarily.

“(b) RETIREMENT IN NEXT LOWER GRADE.—An officer whose length of service in the highest grade he held while on active duty does not meet the service in grade requirements specified in subsection (a) or whose service on active duty in that grade was not determined to be satisfactory by the Secretary concerned shall be retired in the next lower grade in which he served on active duty satisfactorily, as determined by the Secretary concerned, for not less than six months.

“(c) RESERVE OFFICERS.—(1) Unless entitled to a higher grade, or to credit for satisfactory service in a higher grade, under some other provision of law, a person who is entitled to retired pay under chapter 1223 of this title shall, upon application under section 12731 of this title, be credited with satisfactory service in the highest grade in which that person served satisfactorily at any time in the armed forces, as determined by the Secretary concerned in accordance with this subsection.

“(2) In order to be credited with satisfactory service in an officer grade (other than a warrant officer grade) below the grade of lieutenant colonel or commander, a person covered by paragraph (1) must have served satisfactorily in that grade (as determined by the Secretary concerned) as a reserve commissioned officer in an active status, or in a retired status on active duty, for not less than six months.

"(3)(A)(i) In order to be credited with satisfactory service in an officer grade above major or lieutenant commander and below brigadier general or rear admiral (lower half), a person covered by paragraph (1) must have served satisfactorily in that grade (as determined by the Secretary concerned) as a reserve commissioned officer in an active status, or in a retired status on active duty, for not less than three years, except that the Secretary of Defense may authorize the Secretary concerned to reduce such period to a period not less than two years.

"(ii) An officer at or above the grade of lieutenant general or vice admiral may be retired in the highest grade in which he served satisfactorily, upon approval by the Secretary concerned and concurrence by the Secretary of Defense or another civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate, to which the Secretary of Defense has delegated such authority.

"(B) A person covered by subparagraph (A)(i) who has completed at least six months of satisfactory service in grade and is transferred from an active status or discharged as a reserve commissioned officer solely due to the requirements of a nondiscretionary provision of law requiring that transfer or discharge due to the person's age or years of service may be credited with satisfactory service in the grade in which serving at the time of such transfer or discharge, notwithstanding the failure of the person to complete three years of service in that grade.

"(C) To the extent authorized by the Secretary concerned, a person who, after having been recommended for promotion in a report of a promotion board but before being promoted to the recommended grade, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A)(i) as having served in that grade for the period for which the person served in that position while in the next lower grade. The period credited may not include any period before the date on which the Senate provides advice and consent for the appointment of that person in the recommended grade.

"(D) To the extent authorized by the Secretary concerned, a person who, after having been found qualified for Federal recognition in a higher grade by a board under section 307 of title 32, serves in a position for which that grade is the minimum authorized grade and is appointed as a reserve officer in that grade may be credited for the purposes of subparagraph (A)(i) as having served in that grade. The period of the service for which credit is afforded under the preceding sentence may only be the period for which the person served in the position after the Senate provides advice and consent for the appointment.

"(4) A person whose length of service in the highest grade held does not meet the service in grade requirements specified in this subsection shall be credited with satisfactory service in the next lower grade in which that person served satisfactorily (as determined by the Secretary concerned) for not less than six months."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to the computation of retired or retainer pay of any individual who becomes entitled to that pay on or after the date of enactment of this Act.

SEC. 603. MORE FLEXIBLE COMPUTATION OF RETIRED PAY FOR OFFICERS AND SENIOR ENLISTED MEMBERS.

(a) **MODIFICATION OF RETIRED PAY FORMULAS.**—(1) Chapter 71 of title 10, United States Code, is amended by inserting after section 1401a the following new section:

"§ 1401b. Maximum multiplier in the computation of retired pay

"Notwithstanding any other provision of law that limits retired pay computed under this chapter or under chapter 1223 of this title to a maximum of 75 percent of the member's base determined under section 1406 or 1407 of this title, the maximum amount of retired pay as a percentage of such base will be limited as follows:

"(1) For members retired before October 1, 2003, use limitations prescribed in other sections of law.

"(2) For members retired on or after October 1, 2003, use the limitations prescribed in other sections of law except in the case of—

"(A) members retired in the grade O-7 and above with more than 30 years of creditable service in the computation of the multiplier percentage under section 1409 of this title, such percentage is not limited to 75 percent for any time served in excess of 30 years otherwise creditable after October 1, 2003; and

"(B) members retired in the grades E-8 through O-6, inclusive, with more than 30 years of creditable service in the computation of the multiplier percentage under section 1409 of this title, such percentage is not limited to 75 percent for any time served under conditions authorized such additional credit during a period established by the Secretary of Defense."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1401a the following new item:

"1401b. Maximum multiplier in the computation of retired pay."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the computation of retired or retainer pay of any individual who becomes entitled to that pay on or after the date of enactment of this Act.

SEC. 604. ELIMINATE RETIRED PAY LIMIT APPLICABLE TO GENERAL AND FLAG OFFICERS.

(a) RETIRED PAY BASE FOR MEMBERS WHO FIRST BECAME MEMBERS BEFORE SEPTEMBER 8, 1980.—Section 1406 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(j) RETIRED PAY BASE.—In the case of a member at grade O-7 and above, the rates of basic pay used to compute the pay base prescribed in this section shall be the rates applicable to the grade or position without regard to any provision of law limiting such pay to the rate of pay for level III of the Executive Schedule."

(b) RETIRED PAY BASE FOR MEMBERS WHO FIRST BECAME MEMBERS AFTER SEPTEMBER 7, 1980.—Section 1407 of such title is amended by adding at the end the following new subsection:

"(g) RETIRED PAY BASE.—In the case of a member at grade O-7 and above, the rates of basic pay used to compute the pay base prescribed in this section shall be the rates applicable to the grade or position without regard to any provision of law limiting such pay to the rate of pay for level III of the Executive Schedule."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the computation of retired or retainer pay of any individual who becomes entitled to that pay on or after the date of enactment of this Act.

SEC. 605. GRANT BASIC ALLOWANCE FOR HOUSING WAIVERS FOR 12 MONTHS OR LESS ON PERMANENT CHANGE OF STATION ASSIGNMENTS THAT ARE PRINCIPALLY FOR EDUCATION OR TRAINING.

Paragraph (3) of section 403(d) of title 37, United States Code, is amended by adding at the end the following new subparagraph:

"(C) Where a member receives a permanent change of station or permanent change of assignment, within the continental United States, of 12 months duration or less for purposes of participating in professional military education or training classes, the amount of the basic allowance for housing for the member may be based on the area in which the dependents reside or the member's last duty station, whichever the Secretary concerned determines to be most equitable. The dependents must continue to live at the member's last duty station in order to qualify for the rate based on that area."

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAYS FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section of 308h(g) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(g) PRIOR SERVICE REENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking "January 1, 2005" and inserting "January 1, 2006".

SEC. 612. BONUS FOR OFFICERS TO SERVE IN THE SELECTED RESERVE IN A CRITICAL SKILL OR MANPOWER SHORTAGE.

(a) **IN GENERAL.**—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

“§ 308j. Special pay: bonus for officers to serve in the Selected Reserve in a critical skill or manpower shortage

“(a) **BONUS AUTHORIZATION.**—The Secretary of Defense may pay—

“(1) an affiliation bonus to an officer of an armed force, including a warrant officer, (other than an officer who has previously served in the Selected Reserve or an officer who is entitled to retired pay) who executes a written agreement to serve in the Selected Reserve of the Ready Reserve for a period of not less than three years in a designated critical officer skill or manpower shortage after being discharged or released from active duty under honorable conditions, once the officer affiliates with a unit or position in the Selected Reserve; and

“(2) an accession bonus to a person who executes a written agreement to accept a commission as an officer of the armed forces and serve in the Selected Reserve of the Ready Reserve in a designated critical officer skill for a period of not less than three years, upon acceptance of the agreement by the Secretary concerned.

“(b) **DESIGNATION OF CRITICAL OFFICER SHORTAGE.**—The Secretary concerned shall designate the critical officer skill shortages and critical manpower shortages for the purposes of this section.

“(1) A skill may be designated as a critical officer skill for an armed force under this subsection if—

“(A) to meet requirements of the armed force, it is critical for the armed force to have a sufficient number of officers who are qualified in that skill; or

“(B) to mitigate a current or projected significant shortage of personnel in the armed force who are qualified in that skill, it is critical to access into that armed force in sufficient numbers persons who are qualified in that skill or are to be trained in that skill.

“(2) A manpower shortage may be designated for a current or projected shortage in a unit or overall shortage in a pay grade.

“(c) **LIMITATION ON AMOUNT OF BONUS.**—The amount of a bonus under subsection (a) may not exceed \$12,000.

“(d) **PAYMENT METHOD.**—Upon acceptance of a written agreement by the Secretary concerned, the total amount of the bonus payable under the agreement becomes fixed. The agreement shall specify whether the bonus shall be paid by the Secretary in a lump sum or installments.

“(e) **RELATION TO OTHER ACCESSION BONUS AUTHORITY.**—An officer or individual may not receive a bonus under this section and financial assistance under chapter 1608, 1609 or 1611 of title 10, or under section 302g of this title, for the same period of service.

“(f) **REPAYMENT FOR FAILURE TO COMMENCE OR COMPLETE OBLIGATED SERVICE.**—(1) An individual who, after receiving all or part of the bonus under an agreement referred to in subsection (a), does not accept a commission as an officer or does not commence to or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement shall repay to the United States such compensation or benefit, except under conditions established by the Secretary concerned.

“(2) The Secretary concerned shall set forth whether repayment is required in whole or in part, the method for computing the amount of the repayment, and the conditions under which an exception to the required repayment would apply.

“(3) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States. A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under subsection (a) does not discharge the individual signing the agreement from a debt arising under such agreement or under paragraph (1).”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“308j. Special pay: bonus for officers to serve in the Selected Reserve in critical skill or manpower shortage.”.

SEC. 613. CRITICAL SKILLS RETENTION BONUS; ELIGIBILITY OF MEMBERS SERVING ON INDEFINITE REENLISTMENT IS INVOLVED.

Section 323(a) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking “or” at the end;

- (2) by striking the period at the end of paragraph (2) and inserting “; or”; and
- (3) by adding at the end the following new paragraph:
- “(3) in the case of an enlisted member serving on an indefinite reenlistment, the member executes a written agreement to remain on active duty for at least 1 year.”.

SEC. 614. FOREIGN LANGUAGE PROFICIENCY PAY.

Section 1596a of title 10, United States Code, is amended—

- (1) in subsection (a)(2), by striking “during a contingency operation supported by the armed forces”; and
- (2) in subsection (c), by inserting before the period at the end the following: “and shall not be considered base pay for any purpose”.

SEC. 615. REPAYMENT OF UNEARNED PORTIONS OF BONUSES, SPECIAL PAYS, -AND EDUCATIONAL BENEFITS.

(a) REPAYMENT OF UNEARNED PORTIONS OF BONUSES.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

“§ 327. Repayment of unearned portions of bonuses, incentives, special pay or similar payments, or educational benefits or stipends, when conditions of payment not met

“(a) IN GENERAL.—A member of the uniformed services who has received a bonus, incentive, special pay or similar payment, or an educational benefit or stipend, and who is, by law, subject to the repayment provisions of this section shall repay to the United States such compensation or benefit when the member does not meet the conditions of the pay or benefit, except under conditions established by the Secretary concerned.

“(b) REGULATIONS.—The Secretary concerned may set forth in regulations procedures for determining the amount of any repayment, and the conditions under which an exception to the required repayment would apply. The Secretary concerned may specify in such regulations the conditions under which any future installment payment of a bonus, incentive, special pay, or similar payment or benefit will not be made when the member does not meet the conditions of pay or benefit. For the military departments, this section shall be administered under regulations prescribed by the Secretary of Defense.

“(c) DEBT.—An obligation to repay the United States under subsection (a) is, for all purposes, a debt owed the United States.

“(d) EFFECT OF BANKRUPTCY.—A discharge in bankruptcy under title 11 does not discharge a person from a debt under this section if the final decree of discharge is entered less than five years after the date of the termination of the service or the date of the termination of the agreement on which the debt is based. This subsection applies to any case commenced under title 11 after March 30, 2005.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“327. Repayment of unearned portions of bonuses, incentives, special pay or similar payments, or educational benefits or stipends, when conditions of payment not met.”.

(b) AVIATION CAREER OFFICER RETENTION BONUS.—Subsection (g) of section 301b of such title is amended to read as follows:

“(g) REPAYMENT OF BONUS.—An officer who does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title.”.

(c) MEDICAL OFFICER MULTIYEAR RETENTION BONUS.—Subsection (c) of section 301d of such title is amended to read as follows:

“(c) REPAYMENT OF BONUS.—An officer who does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title.”.

(d) DENTAL OFFICER MULTIYEAR RETENTION BONUS.—Subsection (d) of section 301e of such title is amended to read as follows:

“(d) REPAYMENT OF BONUS.—An officer who does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title.”.

(e) MEDICAL OFFICER SPECIAL PAY.—Section 302 of such title is amended—

(1) in subsection (c), by amending the last sentence in paragraph (2) to read as follows: “If such entitlement is terminated, the officer concerned shall be subject to the repayment provisions of section 327 of this title.”; and

(2) by amending subsection (f) to read as follows:

"(f) REPAYMENT.—An officer who does not complete the period for which the payment was made under subsection (a)(4) or (b)(1) shall be subject to the repayment provisions of section 327 of this title."

(f) OPTOMETRIST RETENTION SPECIAL PAY.—Paragraph (4) of section 302a(b) of such title is amended to read as follows:

"(4) REPAYMENT.—The Secretary concerned may terminate at any time the eligibility of an officer to receive retention special pay under paragraph (1). An officer who does not complete the period for which the payment was made under paragraph (1) shall be subject to the repayment provisions of section 327 of this title."

(g) DENTAL OFFICER SPECIAL PAY.—Section 302b of such title is amended—

(1) in subsection (b), by striking the second sentence in paragraph (2);

(2) by amending subsection (e) to read as follows:

"(e) REPAYMENT.—An officer who does not complete the period of active duty for which the payment was made under subsection (a)(4) shall be subject to the repayment provisions of section 327 of this title";

(3) by striking subsection (f); and

(4) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(h) ACCESSION BONUS FOR REGISTERED NURSES.—Subsection (d) of section 302d of such title is amended to read as follows:

"(d) An officer who does not become and remain licensed as a registered nurse during the period for which the payment is made, or who does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title."

(i) NURSE ANESTHETIST SPECIAL PAY.—Section 302e of such title is amended—

(1) in subsection (c), by striking the last sentence; and

(2) by amending subsection (e) to read as follows:

"(e) An officer who does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title."

(j) RESERVE, RECALLED OR RETAINED HEALTH CARE OFFICERS SPECIAL PAY.—Subsection (c) of section 302f of such title is amended by striking "refund" and inserting "repay".

(k) SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES SPECIAL PAY.—Section 302g of such title is amended—

(1) by striking subsections (d) and (e);

(2) by inserting after subsection (c) the following new subsection (d):

"(d) REPAYMENT.—An officer who does not complete the period of service in the Selected Reserve of an armed force specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title"; and

(3) by redesignating subsection (f) as subsection (e).

(l) ACCESSION BONUS FOR DENTAL OFFICERS.—Subsection (d) of section 302h of such title is amended to read as follows:

"(d) A person after signing a written agreement who thereafter is not commissioned as an officer of the armed forces, or does not become licensed as a dentist, or does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title."

(m) ACCESSION BONUS FOR PHARMACY OFFICERS.—Subsection (e) of section 302j of such title is amended to read as follows:

"(e) A person after signing a written agreement who thereafter is not commissioned as an officer of the armed forces, or does not become and remain certified or licensed as a pharmacist, or does not complete the period of active duty specified in the agreement entered into under subsection (a) shall be subject to the repayment provisions of section 327 of this title."

(n) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Subsection (d) of section 308 of such title is amended to read as follows:

"(d) REPAYMENT OF BONUS.—A member who does not complete the term of enlistment for which a bonus was paid to the member under this section, or a member who is not technically qualified in the skill for which a bonus was paid to him under this section, shall be subject to the repayment provisions of section 327 of this title."

(o) REENLISTMENT BONUS FOR SELECTED RESERVE.—Subsection (d) of section 308b of such title is amended to read as follows:

"(d) A member who does not complete the term of enlistment in the element of the Selected Reserve of the Ready Reserve for which the bonus was paid to the

member under this section, shall be subject to the repayment provisions of section 327 of this title."

(p) ENLISTMENT BONUS FOR SELECTED RESERVE.—Subsection (d) of section 308c of such title is amended to read as follows:

"(d) REPAYMENT.—A member who does not participate satisfactorily in training with his unit during a term of enlistment for which a bonus has been paid to him under this section shall be subject to the repayment provisions of section 327 of this title."

(q) RESERVE AFFILIATION BONUS.—Subsection (d) of section 308e of such title is amended to read as follows:

"(d) REPAYMENT.—A member who does not participate satisfactorily in training with his unit during a term of enlistment for which a bonus has been paid to him under this section shall be subject to the repayment provisions of section 327 of this title."

(r) READY RESERVE ENLISTMENT BONUS.—Section 308g of such title is amended—

(1) by amending subsection (d) to read as follows:

"(d) REPAYMENT.—A person who does not serve satisfactorily in the element of the Ready Reserve in the combat or combat support skill for the period for which the bonus was paid under this section shall be subject to the repayment provisions of section 327 of this title.;"

(2) by striking subsections (e) and (f); and

(3) by redesignating subsections (g) and (h) as subsections (e) and (f), respectively.

(s) READY RESERVE REENLISTMENT, ENLISTMENT, AND VOLUNTARY EXTENSION OF ENLISTMENT BONUS.—Section 308h of such title is amended—

(1) by amending subsection (c) to read as follows:

"(c) REPAYMENT.—A person who does not complete the period of enlistment or extension of enlistment for which the bonus was paid under this section shall be subject to the repayment provisions of section 327 of this title.;"

(2) by striking subsections (d) and (e); and

(3) by redesignating subsections (f) and (g) as subsections (d) and (e), respectively.

(t) PRIOR SERVICE ENLISTMENT BONUS.—Subsection (d) of section 308i of such title is amended to read as follows:

"(d) A person who receives a bonus payment under this section and who, during the period for which the bonus was paid, does not serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall be subject to the repayment provisions of section 327 of this title."

(u) ENLISTMENT BONUS.—Subsection (b) of section 309 of such title is amended to read as follows:

"(b) A member who does not complete the term of enlistment for which a bonus was paid to the member under this section, or a member who is not technically qualified in the skill for which a bonus was paid, shall be subject to the repayment provisions of section 327 of this title."

(v) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING ACTIVE DUTY.—Subsection (b) of section 312 of such title is amended to read as follows:

"(b) REPAYMENT.—An officer who does not complete the period of active duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants which the officer agreed to serve, and for which the payment was made under subsection (a)(3) or (d)(1), shall be subject to the repayment provisions of section 327 of this title."

(w) NUCLEAR CAREER ACCESSION BONUS.—Paragraph (2) of section 312b(a) of such title is amended to read as follows:

"(2) An officer who does not commence or complete satisfactorily the nuclear power training specified in the agreement under paragraph (1) shall be subject to the repayment provisions of section 327 of this title."

(x) ENLISTED MEMBERS EXTENDING DUTY AT DESIGNATED LOCATIONS OVERSEAS.—Subsection (d) of section 314 of such title is amended to read as follows:

"(d) A member who, having entered into a written agreement to extend a tour of duty for a period under subsection (a), receives a bonus payment under subsection (b)(2) for a 12-month period covered by the agreement and ceases during that 12-month period to perform the agreed tour of duty shall be subject to the repayment provisions of section 327 of this title."

(y) SPECIAL WARFARE OFFICERS EXTENDING PERIOD OF ACTIVE DUTY.—Subsection (h) of section 318 of such title is amended to read as follows:

"(h) An officer who, having entered into a written agreement under subsection (b) and has received all or part of a bonus under this section, does not complete the

period of active duty in special warfare service as specified in the agreement, shall be subject to the repayment provisions of section 327 of this title.”.

(z) SURFACE WARFARE OFFICERS EXTENDING PERIOD OF ACTIVE DUTY.—Subsection (f) of section 319 of such title is amended to read as follows:

“(f) An officer who, having entered into a written agreement under subsection (b) and having received all or part of a bonus under this section, does not complete the period of active duty as a department head on a surface vessel specified in the agreement, shall be subject to the repayment provisions of section 327 of this title.”.

(aa) JUDGE ADVOCATE CONTINUATION PAY.—Subsection (f) of section 321 of such title is amended to read as follows:

“(f) An officer who has entered into a written agreement under subsection (b) and has received all or part of the amount payable under the agreement but who does not complete the total period of active duty specified in the agreement, shall be subject to the repayment provisions of section 327 of this title.”.

(bb) 15-YEAR CAREER STATUS BONUS FOR MEMBERS ENTERING SERVICE ON OR AFTER AUGUST 1, 1986.—Subsection (f) of section 322 of such title is amended to read as follows:

“(f) If a person paid a bonus under this section does not complete a period of active duty beginning on the date on which the election of the person under subsection (a)(1) is received and ending on the date on which the person completes 20 years of active duty service as described in subsection (a)(2), the person shall be subject to the repayment provisions of section 327 of this title.”.

(cc) RETENTION INCENTIVES FOR MEMBERS QUALIFIED IN A CRITICAL MILITARY SKILL.—Subsection (g) of section 323 of such title is amended to read as follows:

“(g) A member who has entered into a written agreement under subsection (a), and who does not complete the total period of active duty specified in the agreement, shall be subject to the repayment provisions of section 327 of this title.”.

(dd) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Subsection (f) of section 324 of such title is amended to read as follows:

“(f) An individual who, having received all or part of the bonus under an agreement referred to in subsection (a), is not thereafter commissioned as an officer or does not commence or does not complete the total period of active duty service specified in the agreement, shall be subject to the repayment provisions of section 327 of this title.”.

(ee) INCENTIVE BONUS: SAVINGS PLAN FOR EDUCATION EXPENSES AND OTHER CONTINGENCIES.—Subsection (g) of section 325 of such title is amended to read as follows:

“(g) If a person does not complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall be subject to the repayment provisions of section 327 of this title.”.

(ff) ENLISTMENT INCENTIVES FOR PURSUIT OF SKILLS TO FACILITATE NATIONAL SERVICE.—Subsection (i) of section 510 of title 10, United States Code, is amended to read as follows:

“(i) If a National Call to Service participant who has entered into an agreement under subsection (b) and received or benefitted from an incentive under subsection (e)(1) or (e)(2) fails to complete the total period of service specified in such agreement, the National Call to Service participant shall be subject to the repayment provisions of section 327 of title 37.”.

(gg) SCHOLARSHIP PROGRAM FOR QUALIFYING PERSONNEL FOR ACQUISITION POSITIONS IN THE DEPARTMENT OF DEFENSE.—Paragraph (3) of section 1744(d) of such title is amended to read as follows:

“(3) For a uniformed member who is separated from service before the end of the period for which the person has agreed to continue in the service in an acquisition position shall be subject to the repayment provisions of section 327 of title 37. For an employee of the Department of Defense, the Secretary may waive in whole or in part a required repayment under this subsection if the Secretary determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.”.

(hh) ADVANCED EDUCATION ASSISTANCE.—Section 2005 of such title is amended—

(1) in subsection (a), by amending paragraph (3) to read as follows:

“(3) that if such person does not complete the period of active duty specified in the agreement, or does not fulfill any term or condition prescribed pursuant to clause (4), such person shall be subject to the repayment provisions of section 327 of title 37.”;

(2) by striking subsections (c), (d), (g) and (h);

(3) by redesignating subsections (e) and (f) as subsections (c) and (d), respectively; and

(4) by amending subsection (d), as redesignated by paragraph (3), to read as follows:

"(d) The Secretary concerned shall require, as a condition to the Secretary providing financial assistance under section 2107 or 2107a of this title to any person, that such person enter into an agreement described in subsection (a). In addition to the requirements of subsections (a)(1) through (a)(4), any agreement required by this subsection shall provide that if such person does not complete the education requirements specified in the agreement, or does not fulfill any term or condition prescribed pursuant to subsection (a)(4), the person shall be subject to the repayment provisions of section 327 of title 37 under the Secretary first ordering such person to active duty as provided for under subsection (a)(2) and sections 2107(f) and 2107a(f) of this title."

(ii) TUITION FOR OFF-DUTY TRAINING OR EDUCATION.—Section 2007 of such title is amended by adding at the end the following new subsection:

"(f) REPAYMENT.—If such person does not complete the period of active duty specified in the agreement under subsection (b), such person shall be subject to the repayment provisions of section 327 of title 37."

(ij) ADVANCED TRAINING, FAILURE TO COMPLETE OR TO ACCEPT COMMISSION.—Section 2105 of such title is amended—

(1) by striking "A member" and inserting "(a) A member"; and

(2) by adding at the end the following new subsection:

"(b) REPAYMENT.—If such person does not complete the period of active duty specified under subsection (a), the person shall be subject to the repayment provisions of section 327 of title 37."

(kk) FINANCIAL ASSISTANCE PROGRAM FOR SPECIALLY SELECTED MEMBERS.—Section 2107 of such title is amended by adding at the end the following new subsection:

"(j) REPAYMENT.—A person after signing a written agreement who thereafter is not commissioned as an officer or does not complete the period of service as specified in subsection (b), (f) or (h)(2), shall be subject to the repayment provisions of section 327 of title 37."

(ll) HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM FOR ACTIVE SERVICE.—Subparagraph (C) of section 2123(e)(1) of such title is amended to read as follows:

"(C) If such person does not complete the period of active duty obligation specified under subsection (a), such person shall be subject to the repayment provisions of section 327 of title 37."

(mm) FINANCIAL ASSISTANCE: NURSE OFFICER CANDIDATES.—Subsection (d) of section 2130a of such title is amended to read as follows:

"(d) REPAYMENT.—A person who does not complete a nursing degree program in which the person is enrolled in accordance with the agreement entered into under subsection (a), or having completed the nursing degree program, does not become an officer in the Nurse Corps of the Army or the Navy or an officer designated as a nurse officer of the Air Force or commissioned corps of the Public Health Service; or does not complete the period of obligated active service required under the agreement, shall be subject to the repayment provisions of section 327 of title 37."

(nn) EDUCATION LOAN REPAYMENT PROGRAM: COMMISSIONED OFFICERS IN SPECIFIED HEALTH PROFESSIONS.—Subsection (g) of section 2173 of such title is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following new paragraph:

"(2) An officer who does not complete the period of active duty specified in the agreement entered into under subsection (a)(3), or the alternative obligation under paragraph (1), shall be subject to the repayment provisions of section 327 of title 37."

(oo) SCHOLARSHIP PROGRAM FOR DEGREE PROGRAM FOR DEGREE OR CERTIFICATION IN INFORMATION ASSURANCE.—Section 2200a of such title is amended—

(1) by amending subsection (e) to read as follows:

"(e) REPAYMENT FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—(1) A member of an armed force who does not complete the period of active duty specified in the service agreement under section (b) shall be subject to the repayment provisions of section 327 of title 37.

"(2) A civilian employee of the Department of Defense who voluntarily terminates service before the end of the period of obligated service required under an agreement entered into under subsection (b) shall refund to the United States an amount determined by the Secretary of Defense as being appropriate to obtain ade-

quate service in exchange for financial assistance and otherwise to achieve the goals set forth in section 2200(a) of this title.

"(A) OBLIGATION AS DEBT.—An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(B) REPAYMENT.—The Secretary of Defense may waive, in whole or in part a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(C) EFFECT OF DISCHARGE IN BANKRUPTCY.—A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under this subsection."

(2) by striking subsection (f); and

(3) by redesignating subsection (g) as subsection (f).

(pp) CADETS: AGREEMENT TO SERVICE AS OFFICER.—Section 4348 of such title is amended by adding at the end the following new subsection:

"(f) A cadet or former cadet who does not fulfill the terms of the agreement as specified under section (a), or the alternative obligation under subsection (b), shall be subject to the repayment provisions of section 327 of title 37."

(qq) MIDSHIPMEN: AGREEMENT FOR LENGTH OF SERVICE.—Section 6959 of such title is amended by adding at the end the following new subsection:

"(f) A midshipman or former midshipman who does not fulfill the terms of the agreement as specified under section (a), or the alternative obligation under subsection (b), shall be subject to the repayment provisions of section 327 of title 37."

(rr) CADETS: AGREEMENT TO SERVICE AS OFFICER.—Section 9348 of such title is amended by adding at the end the following new subsection:

"(f) A cadet or former cadet who does not fulfill the terms of the agreement as specified under section (a), or the alternative obligation under subsection (b), shall be subject to the repayment provisions of section 327 of title 37."

(ss) CADETS: NUMBER, APPOINTMENT, OBLIGATION TO SERVE.—Section 182 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(g) A cadet or former cadet who does not fulfill the terms of the obligation to serve as specified under section (b), or the alternative obligation under subsection (c), shall be subject to the repayment provisions of section 327 of title 37."

(tt) EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE SELECTED RESERVE.—Section 16135 of title 10 United States Code, is amended to read as follows:

"§ 16135. Failure to participate satisfactorily; penalties

"(a) A member of the Selected Reserve of the Ready Reserve of an armed force who does not participate satisfactorily in required training as a member of the Selected Reserve during a term of enlistment or other period of obligated service that created entitlement of the member to educational assistance under this chapter, and during which the member has received such assistance, shall, at the option of the Secretary concerned—

"(1) be ordered to active duty for a period of two years or the period of obligated service the person has remaining under section 16132 of this title, whichever is less; or

"(2) be subject to the repayment provisions under section 327 of title 37.

"(b) Any repayment under the provisions of section 327 of title 37 shall not affect the period of obligation of such member to serve as a Reserve in the selected Reserve."

(uu) HEALTH PROFESSIONS STIPEND PROGRAM—PENALTIES AND LIMITATIONS.—Subparagraph (B) of section 16203(a)(1) of such title is amended to read as follows:

"(B) shall be subject to the repayment provisions of section 327 of title 37."

(vv) MARINE CORPS PLATOON LEADERS CLASS: COLLEGE TUITION ASSISTANCE PROGRAM.—Subsection (f) of section 16401 of such title is amended—

(1) in paragraph (1), by striking "may be required to repay the full amount of financial assistance" and inserting "shall be subject to the repayment provisions of section 327 of title 37"; and

(2) by amending paragraph (2) to read as follows:

"(2) Any requirement to repay any portion of financial assistance received under this section shall be administered Under Secretary of Defense regulations issued under section 327 of title 37. The Secretary of the Navy may waive the obligations referenced in paragraph (1) in the case of a person who—".

(ww) CONVERSION TO MILITARY OCCUPATIONAL SECURITY INCENTIVE BONUS.—Subsection (e) of section 326 of title 37, United States Code, is amended to read as follows:

“(e) REPAYMENT OF BONUS.—A member who fails to serve in such military occupational specialty for the period specified in the agreement executed under subsection (a) shall be subject to the repayment provisions of section 327 of this title.”.

(xx) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on April 1, 2005.

(2) Notwithstanding paragraph (1)—

(A) the amendments made by this section do not apply to any bonus, incentive, special pay or similar payment (such as education assistance or stipend), which the United States became obligated to pay before April 1, 2005; and

(B) the following provisions in effect on March 30, 2005, shall continue to apply, in accordance with the provisions thereof, with respect to any bonus, incentive, special pay, or an educational benefit or stipend, which the United States became obligated to pay before April 1, 2005:

(i) sections 301b(g), 301d(c), 301e(d), 302(f), 302a(b)(4), 302b, 302d(d), 302e, 302f, 302g, 302h, 302j, 308(d), 308b(d), 308c(d), 308e(d), 308g(d), 308h(c), 308i(d), 309(b), 312(b), 312b(a)(2), 314(d), 318(h), 319(h), 321(f), 322(f), 323(g), 324(f), 325(g), and 326(e) of title 37, United States Code;

(ii) sections 510, 1744(d)(3); 2005(a)(3), (c), (d), (f), and (g); 2007; 2105; 2107; 2123(e)(1)(C); 2130a(d); 2173(g); 2200a(e)(3); 4348; 6959; 9348; 16135; 16203(a)(1)(B); and 16401(f)(1) of title 10, United States Code; and

(iii) section 182 of title 14, United States Code.

Subtitle C—Travel and Transportation Allowances

SEC. 621. LODGING COSTS INCURRED IN CONNECTION WITH STUDENT DEPENDENT TRAVEL.

Section 430(b) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

“(2) The allowance described in paragraph (1) may include reimbursement at a rate prescribed by the Secretaries concerned for lodging costs incurred when, for reasons beyond the control of the student, the student is required to procure accommodations while en route.”.

SEC. 622. EXPANDED TRAVEL AND TRANSPORTATION ALLOWANCES FOR FAMILY MEMBERS TO ATTEND BURIAL CEREMONIES.

Section 411f of title 37, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

“(b) LIMITATIONS.—Allowances under subsection (a) may be provided to the same location determined under section 1482 of title 10, and may not exceed the rates for two days and the time necessary for such travel.”; and

(2) in subsection (c)(1)(C), by striking “If no person described in subparagraph (A) or (B) is provided travel and transportation allowances under subsection (a)(1), the” and inserting “The”.

Subtitle D—Other Matters

SEC. 631. ACCUMULATION OF ANNUAL LEAVE BY INTELLIGENCE SENIOR LEVEL EMPLOYEES.

Section 1607 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d) ACCUMULATION OF ANNUAL LEAVE TO EMPLOYEES IN INTELLIGENCE SENIOR LEVEL POSITIONS.—Employees in Intelligence Senior Level positions designated under subsection (a) may accumulate annual leave consistent with the provisions of section 6304(f) of title 5.”.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. EXEMPTION OF NONAPPROPRIATED FUND HEALTH BENEFITS PROGRAM FROM NON-FEDERAL LAWS, TAXES, AND MANDATES.

Section 349 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2727) is amended by adding at the end the following new subsection:

“(c) EXEMPTION.—(1) No tax, fee, other monetary payment, or health plan requirement may be imposed, directly or indirectly, on the Nonappropriated Fund Uniform Health Benefits Program of the Department of Defense or on a carrier or an underwriting or plan administration contractor of that program by any State, United States Territory, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other non-Federal Government authority thereof. This prohibition shall apply to the same extent as the prohibition in section 8909(f) of title 5, United States Code, applies to the health insurance program authorized by chapter 89 of such title.

“(2) Paragraph (1) shall not be construed to exempt the Nonappropriated Fund Uniform Health Benefits Program of the Department of Defense or any carrier or underwriting or plan administration subcontractor of that program from the imposition, payment, or collection of a tax, fee, or other monetary payment on the net income or profit accruing to or realized by that program or by such carrier or underwriting or plan administration subcontractor from business conducted under this chapter, if that tax, fee, or payment is applicable to a broad range of business activity.”.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. DEFENSE ACQUISITION WORKFORCE CHANGES.

(a) SELECTION CRITERIA AND PROCEDURES.—Section 1732(b)(1)(A) of title 10, United States Code, is amended by striking “within grade GS-13 or above of the General Schedule” and inserting “in a position as designated by the Secretary of Defense”.

(b) CRITICAL ACQUISITION POSITIONS.—Section 1733 of such title is amended by striking subsection (b) and inserting the following:

“(b) DESIGNATION OF CRITICAL ACQUISITION POSITIONS.—(1) The Secretary of Defense shall designate the acquisition positions in the Department of Defense that are critical acquisition positions. Such positions shall include the following:

“(A) Program Executive Officer.

“(B) Program Manager of a major defense acquisition program (as defined in section 2430 of this title) or of a significant nonmajor defense acquisition program (as defined in section 1737(a)(3) of this title).

“(C) Deputy program manager of a major defense acquisition program.

“(D) Any other acquisition position of significant responsibility determined by the Secretary to be critical.

“(2) The Secretary shall periodically publish a list of the positions designated under this subsection.”

(c) SCHOLARSHIP PROGRAMS.—Section 1742(3) of such title is amended by adding at the end the following:

“(A) WRITTEN AGREEMENT.—Scholarship recipients shall be required to sign a written agreement defining the terms for the scholarship. Such terms shall address criteria for continuing eligibility and repayment if the recipient fails to make the eligibility criteria and a continuing service obligation.

“(B) REPAYMENT.—(i) In addition to the repayments that may be required by subparagraph (A), any person participating in a scholarship program established under this section shall agree to pay to the United States the total amount of educational assistance provided to the person under this program if the person is voluntarily separated from government service or involuntarily separated for cause from the Department of Defense before

the end of the period for which the person has agreed to continue in the service of the Department of Defense in an acquisition position.

"(ii) If an employee fails to fulfill his agreement to pay to the Government the total amount of educational assistance provided to the person under this program, a sum equal to the amount of the educational assistance is recoverable by the Government from the employee or his estate by—

"(I) setoff against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the Government; and

"(II) such other method as is provided by law for the recovery of amounts owing to the Government.

"(iii) The Secretary may waive in whole or in part a required repayment under this subsection if the Secretary determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(iv) EFFECT OF DISCHARGE IN BANKRUPTCY.—A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement.

"(C) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to require that a position be offered to a person after such person successfully completes the course of education agreed to. However, if no position described in the required written agreement of subsection (3)(A) is offered within the time specified in the agreement, the agreement shall be considered terminated."

(d) AUTHORITY TO ESTABLISH DIFFERENT MINIMUM REQUIREMENTS.—Section 1764(b) of such title is amended—

(1) in paragraph (1), by striking "(5)" and inserting "(6)";

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

"(5) Deputy Program Manager."

SEC. 802. DELEGATION TO THE DEFENSE CONTRACT MANAGEMENT AGENCY TO MAKE DETERMINATIONS CONCERNING RESTRUCTURING COSTS.

Paragraph (2) of section 2325(a) of title 10, United States Code, is amended by striking "an Assistant Secretary of Defense" and inserting "the Director, Defense Contract Management Agency".

SEC. 803. DISPOSAL OF EXCESS AND OBSOLETE MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZED.—Subject to conditions specified in subsection (b), the President may dispose excess and obsolete materials contained in the National Defense Stockpile as set forth in the following table, with the quantity of each material authorized for disposal to be either the remaining inventory or the quantity set forth, whichever is greater:

Cobalt	4,497,460 pounds contained cobalt
Beryllium metal (vacuum cast)	5 short tons
Chromite Chemical	34,000 short dry tons
Chromite Refractory	83,791 short tons
Chromium Ferroalloy	63,279 short tons
Columbium Concentrates	747,978 pounds contained columbium
Columbium Metal Ingot	60,751 pounds contained columbium
Diamond, Stones	780,426 carats
Germanium	34,263 kilograms
Platinum	20,880 troy ounces
Platinum—Palladium	4,918 troy ounces
Tantalum Carbide Powder	8,158 pounds contained tantalum
Tantalum Metal Powder	34,607 pounds contained tantalum
Tantalum Minerals	1,287,016 pounds contained tantalum
Tantalum Oxide	41,320 pounds contained tantalum
Tungsten Ferro	280,415 pounds contained tungsten
Tungsten Metal Powder	919,666 pounds contained tungsten
Tungsten Ores & Concentrates	60,375,212 pounds contained tungsten

(b) MINIMIZATION OF DISRUPTION AND LOSS.—Disposal of materials under this section should minimize—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials in the National Defense Stockpile.

SEC. 804. PRIVATIZATION OF MILITARY UTILITIES LOCATED ON NON—FEDERAL LAND.

Section 2688 of title 10, United States Code, is amended—

(1) by adding at the end the following new subsection:

“(j) CONVEYANCES ON PROPERTY OWNED BY OTHERS.—(1) Notwithstanding subsection (b), for those installations where the United States does not own a preponderance of the land underlying the installation, the Secretary concerned may carry out a conveyance under subsection (a), without using competitive procedures, if the prospective conveyee—

“(A)(i) is a utility company whose service area is adjacent to or covers part or all of the installation;

“(ii) is a regulated utility company;

“(iii) has a franchise to serve the area encompassing part or all of the installation; and

“(iv) has a franchise granted by the state; or

“(B)(i) is a governmental entity;

“(ii) operates a public airport adjoining the installation;

“(iii) owns the property underlying a substantial part or all of the installation; and

“(iv) owns the utility system for the adjoining airport.

“(2) Clause (A)(iii) of paragraph (1) shall apply only if the State in which the installation is located grants franchises for the type of utility system being conveyed.

“(3) If more than one prospective conveyee meets the requirements of paragraph (1), the Secretary may limit competition to only those prospective conveyees.”;

(2) in subsection (c)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following new paragraph (2):

“(2) Notwithstanding paragraph (1), if the conveyance is made in accordance with subsection (j), and is made—

“(A) to a regulated utility company which is wholly owned by or is a governmental entity, or

“(B) to a governmental entity under clause (B) of subsection (j)(1), the Secretary may determine that the interest conveyed has a value of \$1.00. Such determination shall be conclusive for all purposes.”;

(3) in subsection (f), by adding at the end the following new paragraph:

“(3) In any conveyance to which paragraph (2) of subsection (c) applies, the Secretary shall require that the utility system, without notice, charge, or cost, revert to the ownership of the United States if the utility company to which the system was conveyed—

“(A) if wholly owned by a governmental entity when the system was conveyed, ceases to be wholly owned by a governmental entity, or

“(B) if a governmental entity when the system was conveyed, changes to a non-governmental entity.”; and

(4) in subsection (h)—

(A) in the subsection heading, by striking “UTILITY SYSTEM DEFINED” and inserting “DEFINITIONS”; and

(B) by adding at the end the following new paragraphs:

“(3) The term ‘governmental entity’ means public bodies created in accordance with state law for the purpose of exercising the authority of the state.

“(4) The term ‘independent regulatory body’ means the Federal Energy Regulatory Commission, a state-wide agency, or an agency with less than state-wide jurisdiction when operating pursuant to state authority. Such a body must have the power to fix, establish, or control the rates and services of utility systems.

“(5) The term ‘non-independent regulatory body’ means a body that regulates a utility system which is owned or operated by the regulatory body or by the same entity that created the regulatory body, such as a municipality that owns or operates and regulates its own municipal utility system.

“(6) The term ‘regulated utility company’ means a utility company regulated by an independent regulatory body, as opposed to a non-independent regulatory body.”.

SEC. 805. REPEAL OF REDUNDANT LIMITATIONS ON THE PROCUREMENT OF TOTALLY ENCLOSED LIFEBOATS.

(a) Section 8124 of the Department of Defense Appropriations Act, 1994 (Public Law 103-139; 107 Stat. 1469) is repealed.

(b) Section 8093 of the Department of Defense Appropriations Act, 1995 (Public Law 103-335; 108 Stat. 2638) is repealed.

SEC. 806. DEMONSTRATION PROGRAMS USING DESIGN-BUILD CONTRACTS.

(a) **AUTHORITY TO CARRY OUT PROGRAM.**—The Secretary of the Navy and the Secretary of the Army each may conduct a demonstration program to assess the feasibility and desirability to enter into design for design-build contract (fast-track design funding) prior to authorization and appropriation of the project, using design funds made available under the authority of section 2807 of title 10, United States Code, for the design portion of the contract in order to reduce facility acquisition time.

(b) **DESIGN-BUILD CONTRACTING.**—For purposes of the demonstration program, the Secretary concerned shall have, in addition the authority in paragraph (c)(5) of section 2305a of title 10, United States Code, the authority, notwithstanding any other provision of law, to accelerate design efforts for design-build contracts (fast-track design funding) to complete the design effort for any military construction or family housing construction project, prior to the project being authorized and appropriated, if—

(1) the contractor to which the contract was awarded has been selected using design-build selection procedures established under section 2305a of title 10, United States Code;

(2) a request for the authorization and appropriation of construction funds has been submitted to Congress as part of the President's annual budget; and

(3) the Government's liability in a Termination for Convenience would not exceed costs above that attributable to the final design of the project.

(c) **USE OF DESIGN FUNDS IN DESIGN-BUILD CONTRACTS.**—Notwithstanding section 2807(a) of title 10, United States Code, projects conducted as part of this program may include projects specifically authorized by law.

(d) **USE OF DESIGN FUNDS IN DESIGN-BUILD CONTRACTS FOR FACILITIES FOR RESERVE COMPONENTS.**—Notwithstanding section 18233(e) of title 10, United States Code, projects conducted as part of this program may include projects specifically authorized by law.

(e) **EXPIRATION.**—The Secretary of the Navy and the Secretary of the Army may not enter into a contract for a military construction project under the demonstration program described in subsections (a), (b), and (c) after September 30, 2008.

SEC. 807. TWO-YEAR EXTENSION OF LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

Subsection (g) of section 2892 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 590; 10 U.S.C. 2805 note), as amended by section 2871 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2225), is further amended by striking “September 30, 2003” and inserting “September 30, 2005”.

Subtitle B—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 821. PILOT AUTHORITY FOR FOLLOW-ON PRODUCTION AGREEMENTS RELATING TO CERTAIN PROTOTYPE PROJECTS.

(a) **FOLLOW-ON PRODUCTION AGREEMENTS.**—A transaction entered into under section 845 of the National Defense Authorization Act for Fiscal Year 1994 as amended (Public Law 103–160; 10 U.S.C. 2371 note) for a prototype project may provide for the award of a follow-on production agreement to the participants in the transaction for a specific number of units at specific target prices. The number of units specified in the transaction shall be determined on the basis of a balancing of the level of the investment made in the project by the participants other than the Federal Government with the interest of the Federal Government in having competition among sources in the acquisition of the product or products prototyped under the project.

(b) **APPROPRIATE USE OF AUTHORITY.**—The Secretary of Defense shall ensure that no official of an agency enters into a transaction under the authority of this section for a follow-on production agreement unless use of a transaction is necessary to continue business arrangements established for prototype projects that included the significant participation of a nontraditional defense contractor when the nontraditional defense contractor continues to participate to a significant extent in the pre-production or production of the item.

(c) **ADVANCE PAYMENTS.**—A cumulative total of up to \$20,000,000 of advances to participants in the transactions under this section is allowed without regard to subsection 3324(a) of title 31, United States Code, regarding advance payments.

(d) **COMPETITIVE PROCEDURES.**—A follow-on production agreement provided for in a transaction under paragraph (a) may be awarded to the participants in the transaction without the use of competitive procedures, notwithstanding the requirements of section 2304 of title 10, United States Code, if—

(1) competitive procedures were used for the selection of parties for participation in the prototype transaction;

(2) the participants in the prototype transaction successfully completed the prototype project provided for in the transaction;

(3) the number of units provided for in the follow-on production agreement does not exceed the number of units specified in the prototype other transaction for such potential follow-on production agreement; and

(4) the prices established in the follow-on production agreement do not exceed target prices specified in the prototype other transaction for such a potential follow-on production agreement.

(e) **PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.**—

(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5, United States Code, for five years after the date on which the information is received by the Department of Defense.

(2)(A) Paragraph (1) applies to information described in paragraph (B) that is in the records of the Department of Defense if the information was submitted to the Department in a competitive or noncompetitive process having the potential for resulting in an award, to the party submitting the information, of a cooperative agreement for performance of basic, applied, or advanced research authorized by section 2358 of this title or another transaction authorized by subsection (a).

(B) The information referred to in subparagraph (A) is the following:

(i) A proposal, proposal abstract, and supporting documents.

(ii) A business plan submitted on a confidential basis.

(iii) Technical information submitted on a confidential basis.

(f) **PERIOD OF AUTHORITY.**—The authority to conduct a pilot program under this section shall terminate on September 30, 2010. The termination of the authority shall not affect the validity of continued performance on agreements that are awarded or modified during the period of the pilot program.

SEC. 822. CHARGING OF FEES FOR LOGISTICS DATA.

(a) **IN GENERAL.**—Chapter 141 of title 10, United States Code, is amended by inserting after section 2410m the following new section:

“§ 2410n. Charging of fees for logistics data

“The Secretary of Defense may establish fees, at a level sufficient to recover costs, for materials provided by the Defense Logistics Information Services to the public, State and local governments, and Federal entities from the Federal Logistics Information System.”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by adding at the end the following item:

“2410n. Charging of fees for logistics data.”.

SEC. 823. SALE AND EXCHANGE OF MISSILE PROPELLANTS AND ELECTRICITY.

(a) **IN GENERAL.**—Section 2404 of title 10, United States Code, is amended—

(1) by striking “fuel” each place it appears and inserting “energy”;

(2) in subsection (d), by striking “of the Department of Defense”;

(3) in subsection (e), by striking “such blends” and inserting “such blends, and additives thereto”;

(4) by redesignating subsection (f) as subsection (g);

(5) by inserting after subsection (e) the following new subsection (f):

“(f) **MISSILE PROPELLANT DEFINED.**—In this section, the term ‘missile propellant’ means the chemical product which is utilized as an energy, oxidizer, catalyst or inert additive in the engines of rockets and missiles or used in high energy lasers.”; and

(6) in subsection (g), as redesignated by paragraph (4), by adding at the end the following new paragraphs:

“(5) Missile propellant.

“(6) Electricity.”.

(b) **CLERICAL AMENDMENTS.**—(1) The heading of such section is amended to read as follows:

“§ 2404. Energy acquisitions, exchanges and waivers”.

(2) The table of sections at the beginning of chapter 141 of such title is amended by striking the item relating to section 2404 and inserting the following new item:

“2404. Energy acquisitions, exchanges and waivers.”

SEC. 824. PILOT PROGRAM TO CONTRACT WITH LOCAL GOVERNMENTS FOR SERVICES.

(a) **ACQUISITION AUTHORITY.**—Subject to the provisions of chapter 146 of title 10, United States Code, but notwithstanding any other provision of law related to the award of public contracts, the Secretary of a military department may enter into a contract or other agreement for the provision of local governmental services at an installation of the Department of Defense with the local governmental entity responsible in accordance with state law for serving the area that includes the installation or facility. The Secretary may enter into such a contract or agreement without utilizing competitive procedures and without regard to whether the local governmental entity to which the Secretary makes award is required by law to provide those services to the public without direct charge; provided, however, that such law does not require the provision of those services to federal facilities without charge.

(b) **LIMITATIONS.**—The authority provided in subsection (a) may be used at no more than two installations in each military department and may not be applied after September 30, 2010.

(c) **DEFINITIONS.**—In this section, the term “local governmental services” means refuse collection and disposal, libraries, recreation, facility repair and maintenance, and utilities.

SEC. 825. PROCUREMENT OF BALL AND ROLLER BEARINGS.

(a) **LIMITATION.**—Paragraph (5) of subsection (a) of section 2534 of title 10, United States Code, is amended to read as follows:

“(5) **BALL BEARINGS AND ROLLER BEARINGS.**—Ball bearings and roller bearings or bearing components, except ball bearings and roller bearings being procured for use in an end product manufactured by a manufacturer that does not satisfy the requirements of subsection (b) or in a component part manufactured by such a manufacturer. ‘Bearing components’ means the bearing element, retainer, inner race, or outer race.”

(b) **INAPPLICABILITY TO CERTAIN CONTRACTS.**—Paragraph (2) of subsection (j) of such section is amended to read as follows:

“(2) This section does not apply with respect to a contract or subcontract to purchase items described in subsection (a)(5) if such contract or subcontract is for the acquisition of commercial items, unless commercial ball and roller bearings are being acquired as end items.”

SEC. 826. INCREASED THRESHOLD FOR AWARDING CONTRACTS UNDER OTHER THAN COMPETITIVE PROCEDURES.

Section 2304(f)(1)(B) of title 10, United States Code, is amended—

- (1) in clause (ii), by striking “\$50,000,000” and inserting “\$75,000,000”; and
- (2) in clause (iii), by striking “\$50,000,000” and inserting “\$75,000,000”.

SEC. 827. INCREASED THRESHOLD FOR REQUIRING CONTRACTORS TO PROVIDE SPECIFIED EMPLOYEE INFORMATION TO COOPERATIVE AGREEMENT HOLDERS.

Section 2416(d) of title 10, United States Code, is amended by striking “\$500,000” and inserting “\$1,000,000”.

SEC. 828. LIMITATION ON TASK AND DELIVERY ORDER CONTRACTS.

Subsection 2304a(f) of title 10, United States Code, is amended to read as follows:

“(f) **CONTRACT PERIOD.**—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover any period up to five years and may extend the contract period for one or more successive periods pursuant to an option provided in the contract or a modification to the contract. In no event, however, may the total contract period as extended exceed ten years.”

Subtitle C—Acquisition-Related Reports and Other Matters

SEC. 841. STREAMLINING REAL PROPERTY TRANSACTIONS.

(a) Section 2662 of title 10, United States Code, is amended—

- (1) by amending subsection (a) to read as follows:

"(a) GENERAL NOTICE AND WAIT REQUIREMENTS.—The Secretary concerned shall provide a report of the facts concerning the proposed transaction to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives if the estimated price, annual rental, or value exceeds the unspecified minor military construction ceiling in section 2805(a)(1) of this title. Such transactions are—

"(1) An acquisition of fee title to any real property,

"(2) A lease of any real property to the United States,

"(3) A lease or license of real property owned by the United States,

"(4) A transfer of real property owned by the United States to another Federal agency or another military department or to a State,

"(5) A report of excess real property owned by the United States to a disposal agency, or

"(6) Any termination or modification by either the grantor or grantee of an existing license or permit to a military department of real property owned by the United States, under which substantial investments have been or are proposed to be made in connection with the use of the property by the military department.”;

(2) in subsection (b), by striking “\$750,000” and inserting “the unspecified minor military construction project ceiling in section 2805(a)(1) of this title”; and

(3) in subsection (e), by striking “\$750,000” and inserting “the unspecified minor military construction project ceiling in section 2805(a)(1) of this title”.

(b) Section 2672 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “(1) The” and inserting “The”;

(ii) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2); and

(iii) in paragraph (2), as redesignated, by striking “\$750,000” and inserting “the unspecified minor military construction project ceiling in section 2805(a)(1) of this title”; and

(B) by striking paragraph (2); and

(2) in subsection (b), by striking “\$750,000” and everything that follows through the period at the end of the sentence and inserting “the unspecified minor military construction project ceiling in section 2805(a)(1) of this title”.

SEC. 842. REPEAL OF ANNUAL REPORTING REQUIREMENT CONCERNING MANAGEMENT OF DEPOT EMPLOYEES.

Section 2472 of title 10, United States Code, is amended—

(1) by striking “(a) PROHIBITION ON MANAGEMENT BY END STRENGTH.—”; and

(2) by striking subsection (b).

SEC. 843. SIMPLIFICATION OF ANNUAL REPORTING REQUIREMENTS CONCERNING FUNDS EXPENDED FOR DEPOT MAINTENANCE AND REPAIR WORKLOADS.

Section 2466(d) of title 10, United States Code, is amended to read as follows:

“(d) ANNUAL REPORTS.—(1) Not later than April 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each of the military departments and each Defense Agency, the percentage of the funds referred to in subsection (a) that was expended during the preceding fiscal year and are projected to be expended in the current and the next fiscal years for performance of depot-level maintenance and repair workloads by the public and private sectors, as required by this section.

“(2) Not later than 60 days after the date on which the Secretary submits a report under this subsection, the Comptroller General shall submit to Congress the Comptroller General’s views on whether the Department of Defense has complied with the requirements of subsection (a) for the preceding fiscal year covered by the report and that the expenditure projections for the current and next fiscal years are reasonable.”.

SEC. 844. PROVISIONS RELATING TO REAL PROPERTY.

(a) IN GENERAL.—(1) Section 2661 of title 10, United States Code, is amended by adding at the end the following new subsections:

“(c) COMMISSIONS ON LAND PURCHASE CONTRACTS.—The maximum amount payable as a commission on a contract for the purchase of land from funds appropriated for the Department of Defense is 2 percent of the purchase price.

“(d) AVAILABILITY OF FUNDS FOR ACQUISITION OF CERTAIN INTERESTS IN LANDS.—Appropriations available to the Department of Defense for operation and

maintenance or construction may be used for the acquisition of land or interests in land under section 2672 of this title and for the acquisition of interests in land under section 2675 of this title.”

(2) Section 2679 of such title is amended—

(A) by striking the title and inserting the following:

“§ 2679. Use of facilities by private organizations or as polling places”;

(B) by redesignating subsections (a), (b), (c), and (d) as paragraphs (1), (2), (3), and (4), respectively;

(C) by inserting before paragraph (1), as redesignated, the following:

“(a) USE OF SPACE AND EQUIPMENT BY VETERANS’ ORGANIZATIONS.—”;
and

(D) by adding at the end the following new subsections:

“(b) LICENSES TO AMERICAN NATIONAL RED CROSS FOR ERECTION AND USE OF BUILDINGS.—Under such conditions as he may prescribe, the Secretary concerned may issue a revocable license to the American National Red Cross to—

“(1) erect and maintain, on any military installation under the Secretary’s jurisdiction, buildings for the storage of supplies; or

“(2) use, for the storage of supplies, buildings erected by the United States. Supplies stored in buildings erected or used under this section are available to aid the civilian population in a serious national disaster.

“(c) USE OF CERTAIN FACILITIES AS POLLING PLACES.—(1) Notwithstanding chapter 29 of title 18 (including sections 592 and 593 of such title) or any other provision of law, the Secretary of Defense or Secretary of a military department may not (except as provided in paragraph (3)) prohibit the designation or use of a qualifying facility under the jurisdiction of the Secretary as an official polling place for local, State, or Federal elections.

“(2) A Department of Defense facility is a qualifying facility for purposes of this subsection if as of December 31, 2000—

“(A) the facility is designated as an official polling place by a State or local election official; or

“(B) the facility has been used as such an official polling place since January 1, 1996.

“(3) The limitation in paragraph (1) may be waived by the Secretary with respect to a particular Department of Defense facility if the Secretary determines that local security conditions require prohibition of the designation or use of that facility as an official polling place for any election.”.

(3) Section 2664 of such title is repealed.

(4) Sections 2666, 2670, and 2673 of such title are repealed.

(b) CLERICAL AMENDMENTS.—The table of sections for chapter 159 of such title is amended—

(1) by striking the items relating to sections 2664, 2666, 2670, and 2673; and

(2) by striking the item relating to section 2679 and inserting the following:

“2679. Use of facilities by private organizations or as polling places.”.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers

SEC. 901. TRANSFER OF RESPONSIBILITY FOR THE ASSEMBLED CHEMICAL —WEAPONS ALTERNATIVES PROGRAM.

Section 142(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1521 note) is amended to read as follows:

“(a) PROGRAM MANAGEMENT.—Oversight of the Assembled Chemical Weapons Alternatives program shall be transferred from the Under Secretary of Defense for Acquisition, Technology and Logistics to the Secretary of the Army not later than January 1, 2005. Upon transfer of oversight, the program may be managed as part of the Department of the Army management organization specified in 50 U.S.C. 1521(e). The Army shall continue to implement fully the alternative technologies previously selected for the destruction of lethal chemical munitions at Pueblo Chem-

ical Depot, Colorado, and Blue Grass Army Depot, Kentucky by the Under Secretary of Defense for Acquisition, Technology and Logistics.”.

SEC. 902. EXPANDED ELIGIBILITY TO SERVE AS THE DEPUTY CHIEF OF NAVAL OPERATIONS AND ASSISTANT CHIEF OF NAVAL OPERATIONS.

(a) **DEPUTY CHIEFS OF NAVAL OPERATIONS.**—Section 5036(a) of title 10, United States Code, is amended by striking “in the line”.

(b) **ASSISTANT CHIEFS OF NAVAL OPERATIONS.**—Section 5037(a) of such title is amended by striking “in the line”.

SEC. 903. REPEAL OF REQUIRED PERIODIC INSPECTOR GENERAL AUDITS OF — UNDEFINITIZED CONTRACTUAL ACTIONS.

Section 908 of the Defense Acquisition Improvement Act of 1986 (as contained in section 101(c) of Public Law 99–500 and identically enacted in section 101(c) [title X] of Public Law 99–591 and title IX of division A of Public Law 99–661) (10 U.S.C. 2326 note) is amended by striking subsection (b).

SEC. 904. REPEAL OF MANDATORY INSPECTOR GENERAL REVIEW OF –ADVISORY AND ASSISTANCE SERVICES CONTRACT WAIVERS.

Section 2399(e)(2) of title 10, United States Code, is amended by striking “The Inspector General of the Department of Defense shall review each such waiver and shall include in the Inspector General’s semi-annual report an assessment of those waivers made since the last such report.”

SEC. 905. CHAIN OF SUCCESSION FOR THE CHIEF, NATIONAL GUARD BUREAU.

(a) **DESIGNATION OF SENIOR OFFICER IN NATIONAL GUARD BUREAU.**—Section 10502 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(e) **SUCCESSION.**—Unless otherwise directed by the President or Secretary of Defense, when there is a vacancy in the office of the Chief of the National Guard Bureau or in the event the Chief is unable to perform his duties, the more senior officer of either the Army National Guard of the United States or the Air National Guard of the United States on duty with the National Guard Bureau shall serve as the acting Chief until a successor is appointed or the Chief once again is able to perform his duties.”.

(b) **CLERICAL AMENDMENTS.**—(1) The heading of such section is amended by adding at the end the following: “; **succession**”.

(2) The item relating to such section in the table of sections at the beginning of chapter 1011 of such title is amended by inserting before the period at the end the following: “; succession”.

(c) **REPEALER.**—Subsections (d) and (e) of section 10505 of such title are repealed.

Subtitle B—Reports

SEC. 911. REPEAL OF REPORTING REQUIREMENT CONCERNING THE COOPERATIVE THREAT REDUCTION PROGRAM.

Section 1307 of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2165), is repealed.

SEC. 912. REPEAL OF ANNUAL REPORTING REQUIREMENT CONCERNING THREAT POSED BY WEAPONS OF MASS DESTRUCTION, BALLISTIC MISSILES, AND CRUISE MISSILES.

Section 234 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1664; 50 U.S.C. 2367), is repealed.

Subtitle C—Other Matters

SEC. 921. MANPOWER AND BUDGET ISSUES IN THE DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE.

Section 1501(a)(5) of title 10, United States Code, is amended by striking subparagraph (C).

SEC. 922. THREE-YEAR EXTENSION OF MENTOR-PROTE AE1GE AE1 PROGRAM.

Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note) is amended—

(1) in subsection (j)—

(A) in paragraph (1), by striking “September 30, 2005” and inserting “September 30, 2008”; and

- (B) in paragraph (2), by striking “September 30, 2008” and inserting “September 30, 2011”; and
 (2) in subsection (1)(3), by striking “2007” and inserting “2010”.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. CAPTURE OF ALL EXPIRED FUNDS FROM THE MILITARY PERSONNEL AND OPERATION AND MAINTENANCE APPROPRIATIONS ACCOUNTS FOR USE IN THE FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.

Section 2779 of title 10, United States Code, is amended—

- (1) in subsection (a)(2), by striking “second fiscal year” and inserting “fifth fiscal year”; and
 (2) in subsection (d)(2), by striking “second fiscal year” and inserting “fifth fiscal year”.

SEC. 1002. REIMBURSEMENT FOR USE OF PERSONAL CELLULAR TELEPHONES WHEN USED FOR OFFICIAL GOVERNMENT BUSINESS.

(a) IN GENERAL.—(1) Chapter 134 of title 10, United States Code, is amended by inserting after section 2257 the following new section:

“§ 2258. Personal cellular telephones: reimbursement when used for Government business

“(a) GENERAL AUTHORITY.—The Secretary of Defense may reimburse members of the Army, Navy, Air Force, and Marine Corp, and civilian officers and employees of the Department of Defense, for cellular telephone use on a privately owned cellular telephone when used on official Government business. Such reimbursement shall be on a flat-rate basis.

“(b) REIMBURSEMENT RATE.—The Secretary of Defense may prescribe the reimbursement rate for purposes of subsection (a). That reimbursement rate may not exceed the equivalent Government costs of providing a cellular telephone to employees on official Government business.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2257 the following new item:

“2258. Personal cellular telephones: reimbursement when used for Government business.”.

SEC. 1003. PURCHASE OF PROMOTIONAL ITEMS OF NOMINAL VALUE FOR RECRUITMENT PURPOSES.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 1599e. Authority to purchase items of nominal value for recruitment purposes

“The Secretary of Defense may purchase promotional items of nominal value for use in the recruitment of individuals for employment under this chapter. The Secretary shall prescribe guidelines for the administration of the preceding sentence.”.

(b) CLERICAL AMENDMENT.—The table of sections for such chapter is amended by adding at the end the following new item:

“1599e. Authority to purchase items of nominal value for recruitment purposes.”.

SEC. 1004. MICROCLAIM WAIVER AUTHORITY.

(a) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2229. General waiver authority

“(a) Pursuant to regulations published by the Secretary of Defense, the Secretary or his designees may waive indebtedness owed to the United States Government and arising out of the activities of, or referred to, the Department of Defense, and not referred to another executive or legislative agency for further collection action, when, based on a cost benefit analysis, the costs of collection are expected to exceed the amounts recoverable.

“(b) The authority pursuant to this section may be delegated to the lowest level to ensure costs of processing waivers do not exceed costs of processing collections.

Exercise of this waiver authority for amounts in excess of the micropurchase threshold amount is not authorized.

“(c) Waivers under subsection (a) may be applied to indebtedness owed by military and civilian personnel, fees for jury duty, or similar items where application of the waiver authority would be more economical to the Government than processing the action to completion. Application of the waiver to any transaction is at the sole discretion of the Secretary or designee and may not be reviewed in a court of law.

“(d) Nothing in this section requires the exercise of the waiver authority and no rights are conferred hereby on any third party.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2229. Microclaim waiver authority.”.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. EXCHANGE AND SALE OF OBSOLETE NAVY SERVICE CRAFT AND BOATS.

(a) IN GENERAL.—Subsection (d) of section 7305 of title 10, United States Code, is amended to read as follows:

“(d) EXCHANGE OR SALE OF SIMILAR ITEMS.—(1) Notwithstanding any other provision of law, the Secretary and his designees, in acquiring similar personal property pursuant to section 503 of title 40, may, under regulations to be prescribed by the Secretary—

“(A) exchange or sell obsolete Navy service craft and boats, and

“(B) retain from the proceeds of the sale of such personal property amounts necessary to recover, to the extent practicable, the full costs, direct and indirect, incurred by the Navy in preparing such property for exchange or sale, including the costs for towing, storage, defueling, removal and disposal of hazardous wastes, environmental surveys to determine the presence of regulated polychlorinated biphenyl (PCB) containing materials, and if found, the removal and disposal of regulated PCB-containing materials, and other related costs.

The Secretary or his designees may use such retained proceeds in whole or in part payment for the preparation of additional obsolete Navy service craft and boats for future sale or exchange under this authority.

“(2) Such amounts shall be deposited into an account that shall be available for such costs without regard to fiscal year limitations. Amounts that are not needed to pay such costs shall be transferred at least annually to the general fund or to a specific account in the Treasury as otherwise authorized by law.

“(3) Section 3709 of the Revised Statutes does not apply to sales of property pursuant to this subsection.”.

SEC. 1012. AWARD CONTRACTS FOR SHIP DISMANTLING ON NET COST BASIS.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7305 the following new section:

“§ 7305a. Contracts for ship dismantling awarded on net cost basis

“(a) AUTHORIZATION.—Notwithstanding any other provision of law, the Secretary of the Navy may award on a net cost basis contracts for the dismantling of ships stricken from the Naval Vessel Register. In exercising authority under this section, the Secretary shall to the maximum extent practicable use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement.

“(b) RETENTION OF PROCEEDS.—When the Secretary of the Navy awards a ship dismantling contract on a net cost basis, the contractor may retain the proceeds from the sale of scrap and reusable items from the vessel being dismantled.

“(c) DEFINITIONS.—For purposes of this section:

“(1) The term ‘scrap’ means personal property that has no value except for its basic material content.

“(2) The term ‘net cost basis’ means the differential between the gross cost of performance of the contract less the offeror’s estimate of the value under the contract of scrap and reusable items that the contractor will remove from the vessel during performance of the contract.

“(3) The term ‘reusable items’ means any demilitarized components or removable portions of the ship or equipment that the Navy has identified as excess to its needs but which have potential resale value on the open market.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7305 the following new item:

“7305a. Contracts for ship dismantling awarded on net cost basis.”.

Subtitle C—Counterdrug Activities

SEC. 1021. USE OF TWO-YEAR EXTENSION OF COUNTERDRUG FUNDS FOR COUNTER TERRORISM IN COLOMBIA.

(a) AUTHORITY.—In fiscal years 2005 and 2006, the Secretary of Defense may use funds available for drug interdiction and counterdrug activities to provide assistance to the Government of Colombia to support a unified campaign against narcotics trafficking and activities by organizations designated as terrorist organizations, such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC). This includes authority to take actions to protect human health and welfare in emergency circumstances, including rescue operations for any United States citizen, to include United States armed forces personnel, United States civilian employees, and civilian contractors employed by the United States.

(b) RELATIONSHIP TO EXISTING AUTHORITY.—The authority in this section is in addition to authorities currently available to provide assistance to Colombia.

Subtitle D—Other Department of Defense Provisions

SEC. 1031. CONTROL AND SUPERVISION OF TRANSPORTATION WITHIN THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Title 10, United States Code, is amended as follows:

(1) Section 4744 is amended—

(A) by redesignating section 4744 as section 2648;

(B) in the first sentence, by striking “the Army” and inserting “Defense”; and

(C) in the first paragraph, by striking “Army transport agencies or, within bulk space allocations made to the Department of the Army, on vessels operated by any military transport agency of”.

(2) Section 4745 is amended—

(A) by redesignating section 4745 as section 2649;

(B) in paragraph (a)—

(i) by striking “(1) on vessels operated by Army transport agencies, or (2) within bulk space allocations made to the Department of the Army”; and

(C) by striking “the Army and the Secretary of Transportation” and inserting “Defense”.

(3) Section 4747 is amended—

(A) by redesignating section 4747 as section 2650;

(B) by striking “Army transport agencies or, within bulk space allocations made to the Department of the Army, on vessels operated by any transport agency of”; and

(C) by striking “the Army” and inserting “Defense”.

(4) Section 4741 is repealed.

(5) Section 4743 is repealed.

(6) Section 4746 is repealed.

(7) Section 9741 is repealed.

(8) Section 9743 is repealed.

(9) Section 9746 of title 10, United States Code, is amended—

(A) by redesignating section 9746 as section 2651;

(B) by inserting “vessels or” after “transported on”;

(C) by striking “Air Force transport agencies or, within bulk space allocations made by the Department of the Air Force, on vessels or airplanes operated by any military transport agency of”;

(D) in paragraph (1), by striking “the Air Force” and inserting “Defense”; and

(E) in paragraph (4)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraph (B) as subparagraph (A).

(b) CLERICAL AMENDMENTS.—

(1)(A) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4744.

(B) The table of sections at the beginning of chapter 157 of such title is amended by adding at the end the following new item:

“2647. Persons and supplies: sea transportation.”.

(2)(A) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4745.

(B) The table of sections at the beginning of chapter 157 of such title is amended by adding at the end the following new item:

“2648. Civilian passengers and commercial cargoes: transports in trans-Atlantic service.”.

(3)(A) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4747.

(B) The table of sections at the beginning of chapter 157 of such title is amended by adding at the end the following new item:

“2649. Passengers and merchandise to Guam: sea transport.”.

(4) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4741.

(5) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4743.

(6) The table of sections at the beginning of chapter 447 of such title is amended by striking the item relating to section 4746.

(7) The table of sections at the beginning of chapter 947 of such title is amended by striking the item relating to section 9741.

(8)(A) The table of sections at the beginning of chapter 447 of such title is amended by striking the item pertaining to section 4746; and

(B) The table of sections at the beginning of chapter 157 of such title is amended by adding at the end the following new item:

“2651. Civilian personnel in Alaska.”.—

Subtitle E—Other Matters

SEC. 1041. REPEAL OF PROHIBITION ON CONTRACTS FOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS.

Section 2465 of title 10, United States Code, is amended—

(1) by striking “**or security-guard**” in the section heading; and

(2) in subsection (a), by striking “or security guard”.

SEC. 1042. ESTABLISHMENT OF AUXILIARIES WITHIN THE MILITARY DEPARTMENTS.

(a) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 172 the following new chapter:

“CHAPTER 173—AUXILIARIES

“Sec.

“2921. Administration of auxiliaries.

“2922. Purpose of an auxiliary.

“2923. Eligibility, enrollments.

“2924. Members of the auxiliary; status.

“2925. Disenrollment.

“2926. Membership in other organizations.

“2927. Use of member's equipment and facilities.

“2928. Availability of appropriations.

“2929. Assignment and performance of duties.

“2930. Injury or death in line of duty.

“2931. Limitation on liability.

“§ 2921. Administration of auxiliaries

“(a) An auxiliary of a military department is a nonmilitary organization administered by the Secretary concerned. For command, control, and administrative purposes, the auxiliary shall include such organizational elements and units as are approved by the Secretary, which may include a national board and staff (to be known

as the 'auxiliary headquarters unit'), districts, regions, divisions, and other organizational elements and units. The auxiliary organization and its officers shall have such rights, privileges, powers, and duties as may be granted to them by the Secretary, consistent with this title and other applicable provisions of law. The Secretary may designate the authority and responsibilities of the officers of the auxiliary that the Secretary considers necessary or appropriate for the functioning, organization, and internal administration of the auxiliary.

"(b) The national board of an auxiliary, and any auxiliary district or region, may form a corporation under State law in accordance with policies established by the Secretary.

"§ 2922. Purpose of an auxiliary

"The purpose of an auxiliary is to assist the military department under which it is established, as authorized by the Secretary concerned, in performing any non-combat function, power, duty, role, mission, or operation authorized by law for that military department.

"§ 2923. Eligibility, enrollments

"An auxiliary shall be composed of citizens of the United States, who by reason of their special training or experience are deemed by the Secretary concerned to be qualified for duties and functions of the auxiliary, and who may be enrolled therein pursuant to regulations established by the Secretary.

"§ 2924. Members of the auxiliary; status

"(a) Except as otherwise provided in this chapter, a member of an auxiliary shall not be considered a Federal employee.

"(b) A member of an auxiliary, while performing duty, shall be considered to be a Federal employee for the purposes of the provisions of law relating to—

"(1) ethics, conflicts of interest, corruption, and any other criminal or civil statutes and regulations governing the conduct of Federal employees;

"(2) compensation for work injuries under chapter 81 of title 5; and

"(3) resolution of claims relating to damage to or loss of personal property of the member incident to service under section 3721 of title 31.

"(c) A member of the auxiliary, while assigned to duty, shall be deemed to be a person acting under an officer of the United States or an agency thereof for purposes of section 1442(a)(1) of title 28.

"(d) A member of the auxiliary, while assigned to duty, shall be deemed to be a member of a uniformed service for purposes of sections 2928 and 2930 of this title.

"§ 2925. Disenrollment

"Members of an auxiliary may be disenrolled pursuant to applicable regulations established by the Secretary concerned.

"§ 2926. Membership in other organizations

"Members of an auxiliary may be appointed or enlisted in a Reserve component, pursuant to applicable regulations. Membership in the auxiliary shall not bar membership in any other naval or military organization.

"§ 2927. Use of member's equipment and facilities

"At no cost to the government, the Secretary concerned may utilize for any purpose incident to carrying out his department's functions and duties, equipment or facilities placed at his department's disposition for any such purpose by any member of the auxiliary while performing duties or missions assigned by the Secretary.

"§ 2928. Availability of appropriations

"Appropriations authorized for operation and maintenance of a military department may be used to pay actual necessary traveling expenses and subsistence, or commutation of ration allowance in lieu of subsistence, of members of the auxiliary assigned to authorized duties, but shall not be available for the payment of compensation for personal services, incident to such operation, other than to personnel of the military department.

"§ 2929. Assignment and performance of duties

"No member of an auxiliary, solely by reason of such membership, shall be vested with, or exercise, any right, privilege, power, or duty vested in or imposed upon the personnel of the military department concerned, except that any such member may, under applicable regulations, be assigned duties which, after appropriate training and examination, he has been found competent to perform, to effectuate the purposes of the auxiliary. No member of the auxiliary shall be placed in charge of an activity or organization assigned to the military department unless he has been

designated specifically by authority of the Secretary concerned to perform such duty. Members of the auxiliary, when assigned to duties as herein authorized, shall, unless otherwise limited by the Secretary concerned, be vested with the same power and authority in the execution of such duties as members of the regular or Reserve components of that military department assigned to similar duty. When any member of the auxiliary is assigned to such duty, he may, pursuant to regulations issued by the Secretary, be paid actual necessary traveling expenses, including a per diem allowance in conformity with standardized Government travel regulations in lieu of subsistence, while traveling and while on duty away from his home. No per diem shall be paid for any period during which quarters and subsistence in kind are furnished by the Government. No member of an auxiliary, while performing auxiliary duty, shall exercise command.

“§ 2930. Injury or death in line of duty

“(a) If a member of an auxiliary is physically injured, or dies as a result of physical injury, and the injury is incurred while performing any duty to which he has been assigned pursuant to this chapter, the law authorizing compensation for employees of the United States suffering injuries while in the performance of their duties, applies, subject to this section. That law shall be administered by the Secretary of Labor to the same extent as if the member was a civil employee of the United States and was injured in the performance of that duty. For benefit computation, regardless of pay or pay status, the member is considered to have had monthly pay of the monthly equivalent of the minimum rate of basic pay in effect for grade GS-9 of the General Schedule on the date the injury is incurred.

“(b) This section does not apply if a worker's compensation law provides coverage because of a concurrent employment status of the member. When the member or a dependent is entitled to a benefit under this section and also to a concurrent benefit from the United States on account of the same disability or death, the member or dependent, as appropriate, shall elect which benefit to receive.

“(c) If a claim is filed under this section with the Secretary of Labor for benefits because of an alleged injury or death, the Secretary of Labor shall notify the Secretary concerned who shall direct an investigation into the facts surrounding the alleged injury or death. The Secretary then shall certify to the Secretary of Labor whether or not the injured or deceased person was a member of an auxiliary, the person's military status, and whether or not the injury or death was incurred incident to military service.

“(d) A member of an auxiliary who incurs a physical disability or contracts sickness or disease while performing a duty to which the member has been assigned pursuant to this chapter is entitled to the same hospital treatment afforded a member of the Reserves of the armed forces while serving on active duty.

“(e) In administering section 8133 of title 5, for a person covered by this section—

“(1) the percentages applicable to payments under that section are—

“(A) 45 percent under subsection (a)(2) of that section, where the member died fully or currently insured under title II of the Social Security Act (42 U.S.C. 401 et seq.), with no additional payments for a child or children so long as the widow or widower remains eligible for payments under that subsection;

“(B) 20 percent under subsection (a)(3) of that section, for one child, and 10 percent additional for each additional child, not to exceed a total of 75 percent, where the member died fully or currently insured under title II of the Social Security Act; and

“(C) 25 percent under subsection (a)(4) of that section, if one parent was wholly dependent for support upon the deceased member at the time of the member's death and the other was not dependent to any extent; 16 percent to each if both were wholly dependent; and if one was, or both were, partly dependent, a proportionate amount in the discretion of the Secretary of Labor;

“(2) payments may not be made under subsection (a)(5) of that section; and

“(3) the Secretary of Labor shall inform the Commissioner of Social Security whenever a claim is filed and eligibility for compensation is established under section 8133(a)(2) and (3) of title 5. The Commissioner of Social Security then shall certify to the Secretary of Labor whether or not the member concerned was fully or currently insured under title II of the Social Security Act at the time of the member's death.

"§ 2931. Limitation on liability

"A member of an auxiliary, while assigned to duty, shall be deemed a volunteer of a nonprofit organization or governmental entity for purposes of chapter 139 of title 42 (popularly known as the 'Volunteer Protection Act'). Subsection (d) of section 4 of such Act (42 U.S.C. 14503(d)) shall not apply for purposes of any claim against a member of an auxiliary."

(b) CLERICAL AMENDMENT.—The tables of chapters at the beginning of such subtitle and the beginning of part I of such subtitle are amended by inserting after the item relating to chapter 172 the following new item:

"173. Auxiliaries 2921".

SEC. 1043. NATIONAL DEFENSE HERITAGE FOUNDATION.

(a) IN GENERAL.—Part IV of subtitle A of title 10, United States Code is amended by adding at the end the following new chapter:

**"CHAPTER 173—NATIONAL DEFENSE HERITAGE
FOUNDATION**

"Sec.

"2905. Establishment and purpose.

"2906. Composition and operation.

"2907. Corporate powers and obligations.

"2908. Liability of United States.

"2909. Promotion of local fundraising support.

"2910. Authorization of appropriations.

"§ 2905. Establishment and purpose

"(a) ESTABLISHMENT.—A National Defense Heritage Foundation is hereby established as a charitable and nonprofit corporation for the purposes specified in subsection (b), and shall be organized and operated as a charitable foundation under title 76, section 501(c)(3), United States Code.

"(b) PURPOSES.—The Foundation shall encourage, accept, and administer private gifts of money and real and personal property or any income therefrom for the benefit of, or in connection with, the preservation, protection, and continued beneficial use of historic properties owned or controlled by the Department of Defense.

"§ 2906. Composition and operation—

"(a) BOARD OF DIRECTORS.—The National Defense Heritage Foundation shall be governed by a Board of Directors that shall consist of—

"(1) the Secretary of Defense, ex officio;

"(2) the Secretaries of the Military Departments, ex officio;

"(3) the Director of the National Park Service, ex officio;

"(4) five experts in the field of historic preservation appointed by the Secretary of Defense from the disciplines of architecture, history, archeology, or other appropriate disciplines;

"(5) three at-large members from the general public appointed by the Secretary of Defense; and

"(6) the Chairman of the Advisory Council on Historic Preservation, ex officio.

"(b) TERM OF APPOINTMENT.—The initial terms of the five historic preservation experts and the three at-large members shall be staggered to assure continuity of administration. Thereafter, the term shall be six years, unless a successor is chosen to fill a vacancy occurring prior to the expiration of the term for which his predecessor was chosen, in which event the successor shall be chosen only for the remainder of that term.

"(c) CHAIRPERSON AND SECRETARY.—The Secretary of Defense shall be the Chairman of the Board and the Director of the National Park Service shall be the Secretary of the Board.

"(d) MEMBERSHIP AND OPERATION.—Except as to those Board members serving in their official capacities, service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law. A majority of the members of the Board serving at any one time shall constitute a quorum for the transaction of business, and the Foundation shall have an official seal, which shall be judicially noticed. The Board shall meet at the call of the Chairman and there shall be at least one meeting each year.

"(e) COMPENSATION AND TRAVEL EXPENSES.—No compensation shall be paid to the members of the Board for their services as members, but they shall be reimbursed for actual and necessary traveling and subsistence expenses incurred by

them in the performance of their duties as such members out of National Defense Heritage Foundation funds available to the Board for such purposes.

"(f) VOLUNTEER STATUS.—The Secretary of Defense may accept, without regard to civil service classification laws, rules, or regulations, the services of the Foundation, the Board, and the officers and employees of the Board, without compensation from the Department of Defense, as volunteers in the performance of the functions authorized herein.

"(g) EMPLOYEES.—An officer or employee of the Foundation—

"(1) shall not by virtue of the appointment or employment of the office or employee, be considered a Federal employee for any purpose; and

"(2) may not be paid by the Foundation a salary in excess of \$134,000 per year.

"§ 2907. Corporate powers and obligations

"(a) GIFTS.—(1) The Foundation is authorized to accept, receive, solicit, hold, administer, and use any gifts, devises, or bequests, either absolutely or in trust, of real or personal property or any income therefrom or other interest therein for the benefit of or in connection with, the preservation, protection, and continued beneficial use of historic properties owned or controlled by the Department of Defense; provided, that the Foundation may not accept any such gift, devise, or bequest that entails any expenditure other than from the resources of the Foundation.

"(2) An interest in real property includes, among other things, easements or other rights for preservation, conservation, protection, or enhancement of historic properties.

"(3) A gift, device, or bequest may be accepted by the Foundation even though it is encumbered, restricted, or subject to beneficial interests of private persons if any current or future interest therein supports the purposes for which the Foundation has been established.

"(b) PROPERTY AND INCOME DEALINGS AND TRANSACTIONS.—(1) Except as otherwise required by the instrument of transfer, the Foundation may sell, lease, invest, reinvest, retain, or otherwise dispose of or deal with any property or income thereof as the Board may from time to time determine.

"(2) The Foundation shall not engage in any business, nor shall the Foundation make any investment that may not lawfully be made by a trust company in the District of Columbia, except that the Foundation may make any investment authorized by the instrument of transfer, and may retain any property accepted by the Foundation.

"(3) The Foundation may utilize the services and facilities of the Department of Defense, the Department of the Interior, and the Department of Justice, and such services and facilities may be made available on request to the extent practicable with or without reimbursement therefore. Monies reimbursed to any Department shall be returned by the Department to the account from which the funds for which the reimbursement is made were drawn and may, without further appropriation, be expended for any purpose for which such account is authorized.

"(c) CORPORATE SUCCESSION; POWERS AND DUTIES OF TRUSTEE; SUITS; PERSONAL LIABILITY FOR MALFEASANCE.—The Foundation shall have perpetual succession, with all the usual powers and obligations of a corporation acting as a trustee, including the power to sue and to be sued in its own name, but the members of the Board shall not be personally liable, except for malfeasance.

"(d) AUTHORITY FOR EXECUTION OF CONTRACTS, INSTRUMENTS, AND NECESSARY OR APPROPRIATE ACTS.—The Foundation shall have the power to enter into contracts, to execute instruments, and generally to do any and all lawful acts necessary or appropriate to its purposes.

"(e) BYLAWS, RULES, AND REGULATIONS; CONTRACTS FOR SERVICES.—In carrying out the provisions of this subchapter, the Board may adopt bylaws, rules, and regulations necessary for the administration of its functions and contract for any necessary services.

"§ 2908. Liability of United States

"The United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation.

"§ 2909. Promotion of local fundraising support

"(a) ESTABLISHMENT.—The Foundation shall design and implement a comprehensive program to assist and promote philanthropic programs of support at the individual military installation level.

"(b) IMPLEMENTATION.—The program under subsection (a) shall be implemented to—

"(1) assist in the creation of local nonprofit support organizations; and

"(2) provide support, national consistency, and management-improving suggestions for local nonprofit support organizations.

"(c) PROGRAM.—The program under subsection (a) shall include the greatest number of military installations as is practicable.

"(d) REQUIREMENTS.—The program under subsection (a) shall include, at a minimum—

"(1) a standard adaptable organizational design format to establish and sustain responsible management of a local nonprofit support organization for support of a military installation;

"(2) standard and legally tenable bylaws and recommended money-handling procedures that can easily be adapted as applied to individual military installations; and

"(3) a standard training curriculum to orient and expand the operating expertise of personnel employed by local nonprofit support organizations.

"(e) ANNUAL REPORT.—The Foundation shall report the progress of the program under subsection (a) in the annual report of the Foundation.

"(f) AFFILIATIONS.—(1) Nothing in this section requires:

"(A) a nonprofit support organization or friends group to modify current practices or to affiliate with the Foundation; or

"(B) a local nonprofit support organization, established as a result of this section, to be bound through its charter or corporate bylaws to be permanently affiliated with the Foundation.

"(2) An affiliation with the Foundation shall be established only at the discretion of the governing board of a nonprofit organization.

"§ 2910. Authorization of appropriations

"(a) AUTHORIZATION.—There are authorized to be appropriated to the Department of Defense such sums as may be necessary to achieve the purposes of the Foundation.

"(b) USE OF AMOUNTS APPROPRIATED.—(1) Subject to paragraph (2), amounts appropriated under this section shall be made available to the Foundation for use for matching, in whole or in part, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(2) No Federal funds authorized under this section shall be used by the foundation for administrative expenses of the Foundation, including salaries, travel and transportation expenses, and other overhead expenses.

"(c) ADDITIONAL AUTHORIZATION.—The amounts authorized to be appropriated under this section are in addition to any amounts provided or available to the Foundation under any other Federal law."

(b) CLERICAL AMENDMENT.—The table of chapters of part IV of subtitle A of such title is amended by adding at the end the following new item:

"173. National Defense Heritage Foundation 2905".

SEC. 1044. CONFORMING AMENDMENTS TO GENERAL DEFINITIONS.

(a) IN GENERAL.—Section 101(e)(3) of title 10, United States Code, is amended by striking "Secretary of Defense" and inserting "Secretary concerned".

(b) CONFORMING AMENDMENTS TO DEFINITION OF CONGRESSIONAL DEFENSE COMMITTEES.—Title 10 is further amended as follows:

(1) Sections 2676(d), 2694a(e), 2803(b), 2804(b), 2805(b)(2), 2806(c)(2), 2807(b), 2807(c), 2808(b), 2809(f)(1), 2811(d), 2812(c)(1)(A), 2813(c), 2814(a)(2)(A), 2814(g)(1), 2825(b)(1), 2827(b), 2828(f), 2835(g), 2836(f), 2837(c)(2), 2853(c)(2), 2854(b), 2854a(c)(1), 2865(e)(2), 2866(c)(2), 2875(e), 2881a(d)(2), 2881a(e), 2883(f), and 2884(a), are amended by striking "appropriate committees of Congress" in each place it appears and inserting "congressional defense committees".

(2)(A) Subsection (c) of section 2801 is amended by striking paragraph (4) and inserting the following new paragraph (4):

"(4) The term 'congressional defense committees' includes, with respect to any project to be carried out by, or for the use of, an intelligence component of the Department of Defense, the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate."

(B) Section 2694a is amended by striking subsection (i) and inserting the following new subsection (i):

“(i) DEFINITION OF STATE.—The term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the Territories.”

(c) CONFORMING AMENDMENTS TO DEFINITION OF BASE CLOSURE LAWS.—(1) Section 2871 of such title is amended by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(2) Section 3341(c) of title 5, United States Code, is amended by striking paragraph (1) and inserting the following new paragraph (1):

“(1) the term ‘base closure law’ has the meaning given such term in section 101(a)(17) of title 10.”

(3) Title 40, United States Code, is amended—

(A) in section 554(a), by striking paragraph (1) and inserting the following new paragraph (1):

“(1) BASE CLOSURE LAW.—The term ‘base closure law’ has the meaning given such term in section 101(a)(17) of title 10.”; and

(B) in section 572(b), by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph (B):

“(B) BASE CLOSURE LAW.—The term ‘base closure law’ has the meaning given such term in section 101(a)(17) of title 10.”

(4) Section 120(h)(4)(E) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Public Law 96–510; 42 U.S.C. § 9620(h)) is amended by striking clause (ii) and inserting the following new clause (ii):

“(ii) For purposes of this paragraph, the term ‘base closure law’ has the meaning given such term in 10 U.S.C. § 101(a)(17).”

(5) Section 1333(i) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1800), is amended by striking paragraph (1) and inserting the following new paragraph (1):

“(1) The term ‘base closure law’ has the meaning given such term in 10 U.S.C. § 101(a)(17).”

(6) Section 2814 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337, 108 Stat. 3056), is amended by striking subsection (b) and inserting the following new subsection (b):

“(b) BASE CLOSURE LAW DEFINED.—The term ‘base closure law’ has the meaning given such term in 10 U.S.C. § 101(a)(17).”

(7) Section 1(c) of An Act to Amend the Organic Act of Guam, and for other purposes (Public Law 106–504; 114 Stat. 2309), is amended by striking paragraph (2) and inserting the following new paragraph (2):

“(2) The term ‘base closure law’ has the meaning given such term in 10 U.S.C. § 101(a)(17).”

SEC. 1045. USE OF DEPARTMENT OF DEFENSE FITNESS FACILITIES BY CONTRACT WORKERS.

(a) IN GENERAL.—The Secretary of Defense may authorize employees of Department of Defense contractors to use Department of Defense-owned, Department of Defense-operated fitness facilities if the Secretary determines that such use is in the best interest of the Department of Defense and causes no more than a de minimis increase in the cost of operation of such facilities. Active duty and Government civilian personnel will be granted top priority status for use of such facilities where availability is limited.

(b) LIABILITY WAIVER.—In order to use such facilities, the contractor and the employee must agree to waive any claims of liability against the Government, and to its officers, employees, and agents arising from such use.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

SEC. 1101. PRIORITY PLACEMENT OF DISPLACED CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 1599e. Defense priority placement program

“(a) PRIORITY PLACEMENT.—The Secretary of Defense, at his sole and exclusive discretion and notwithstanding the provisions of title 5, may establish one or more programs to promote stability of employment for Department of Defense civilian employees affected by changing mission requirements, streamlining efforts, overseas rotations (including rotations undertaken pursuant to section 1586 of this title), preferences established by law, and other such actions as the Secretary shall deter-

mine, by providing such employees priority consideration, as defined by the Secretary, for placement in other positions within the Department of Defense.

"(b) CONSTRUCTION.—The content of any program developed under subsection (a), and any personnel action undertaken pursuant to such program, shall not be reviewable outside the Department of Defense except to the extent that may be required by the United States Constitution."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting at the end the following new item:

"1599e. Defense priority placement program."

SEC. 1102. EMPLOYMENT PREFERENCE FOR SPOUSES OF CIVILIAN EMPLOYEES.

Section 1784 of title 10, United States Code, is amended by adding at the end the following new subsections:

"(h) INCLUSION OF SPOUSES OF CERTAIN DOD CIVILIAN EMPLOYEES.—For the purposes of this section, the spouse of a civilian employee of the Department of Defense who has been reassigned and relocated pursuant to a mandatory mobility agreement executed as a condition of employment, or other mandatory mobility program shall be considered the spouse of a member of the armed forces.

"(i) LIMITING OPERATION OF THE HIRING PREFERENCE.—The hiring preference in this section shall apply to any Department of Defense civilian position other than positions that fall under chief of mission authority as set forth in section 3927 of title 22."

SEC. 1103. PAY PARITY FOR CIVILIAN INTELLIGENCE PERSONNEL.

Section 1602 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "in relation to the rates of pay provided in subpart D of part III of title 5 for positions subject to that subpart which have corresponding levels of duties and responsibilities" and inserting "in relation to the rates of pay provided for other comparable Department of Defense Senior Executive, Senior Level, and other positions"; and

(2) by striking subsection (b) and substituting the following new subsection (b):

"(b) The Defense Intelligence Senior Executive Service shall be subject to a performance appraisal system which, as designed and applied, is certified by the Secretary of Defense as making meaningful distinctions based on relative performance and may be the same performance appraisal system established and implemented within the Department for members of the Senior Executive Service."

SEC. 1104. PAY PARITY FOR SENIOR EXECUTIVES IN DOD NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1599e. Senior executive compensation for nonappropriated fund instrumentalities

"Notwithstanding any provisions of title 5, the Secretary of Defense may regulate the amount of total compensation, including the rate of basic pay, of senior executives employed by Department of Defense nonappropriated fund instrumentalities, to provide for parity with the total compensation, including basic pay, of Department of Defense employees in the Senior Executive Service and other similar senior executive positions."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1589 the following new item:

"1599e. Senior Executive Compensation for Nonappropriated Fund Instrumentalities."

SEC. 1105. PROHIBIT UNAUTHORIZED WEARING, MANUFACTURE, OR SALE OF CIVILIAN MEDALS OR DECORATIONS.

(a) IN GENERAL.—Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1134. Civilian medals or decorations of the Department of Defense

"(a) PROHIBITION.—Except with the written permission of the Secretary of Defense, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary, medals, decorations, or other insignia intended for recognition

of Department of Defense civilian employees and other individuals who render service to the Department of Defense.

“(b) **AUTHORITY TO ENJOIN VIOLATIONS.**—Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other actions as is warranted, including imposing a civil penalty not to exceed \$25,000 for each violation, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.”

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“1134. Civilian medals or decorations of the Department of Defense.”.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Related to Arms Control and Monitoring

SEC. 1201. HUMANITARIAN ASSISTANCE WITH RESPECT TO THE DETECTION AND CLEARANCE OF LANDMINES AND EXPLOSIVE REMNANTS OF WAR.

Chapter 20 of title 10, United States Code, is amended—

(1) in section 401—

(A) in subsection (a), by striking paragraph (4);

(B) in subsection (c)—

(i) by striking paragraphs (2) and (3); and

(ii) by redesignating paragraph (4) as paragraph (2); and

(C) in subsection (e), by striking paragraph (5);

(2) by adding the following new section at the end of such chapter:

“§ 406. Humanitarian assistance with respect to the detection and clearance of landmines and explosive remnants of war

“(a)(1) Under regulations prescribed by the Secretary of Defense, United States armed forces may provide humanitarian assistance with the detection and clearance of landmines or explosive remnants of war in a foreign country, including activities relating to the furnishing of education, training, and technical assistance, if these activities will promote:

“(A) the security interests of both the United States and the country in which the activities are to be carried out; and

“(B) the specific operational readiness skills of the members of the armed forces who participate in the activities.

“(2) The Secretary of Defense shall ensure that no member of the armed forces, while providing assistance under this section:

“(A) engages in the physical detection, lifting or destroying of landmines or explosive remnants of war (unless the member does so for the concurrent purpose of supporting a United States military operation); or

“(B) provides such assistance as part of a military operation that does not involve the armed forces.

“(b)(1) To the extent provided in defense authorization Acts, funds authorized to be appropriated to the Department of Defense for a fiscal year for humanitarian assistance shall be used for the purpose of providing assistance under this section.

“(2) Expenses covered include the following expenses incurred:

“(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing such assistance.

“(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or supporting activities under this section, including any nonlethal, individual or small-team landmine or explosive remnant of war clearing equipment or supplies that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

“(C) The cost of equipment, services and supplies provided in any fiscal year to a foreign country under paragraph (2)(B) may not exceed \$5,000,000.

“(c) Humanitarian assistance with respect to the detection and clearance of landmines and remnants of war may not be provided under this section to any foreign country unless the Secretary of State specifically approves the provision of such assistance.”; and

(3) in the table of sections at the beginning of such chapter by adding at the end the following new item:

“406. Humanitarian assistance with respect to the detection and clearance of landmines and explosive remnants of war.”.

Subtitle B—Matters Related to Allies and Friendly Foreign Nations

SEC. 1211. IMPROVING AIRSPACE CONTROL AND MANAGEMENT IN THE CAUCASUS AND CENTRAL ASIA.

Notwithstanding any other provision of the law, of the funds available to the Department of Defense, subject to the concurrence of the Secretary of State, not more than \$150,000,000 in fiscal year 2005 may be made available for improving airspace control and management in key countries in the Caucasus and Central Asia (Georgia, Azerbaijan, Armenia, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Afghanistan), thereby permitting a permissive and controlled air corridor from Europe through the Caucasus to Central Asia and Afghanistan.

SEC. 1212. GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

Section 1306(b)(1) of the National Defense Authorization Act for Fiscal Year 1995, (Public Law 103-337; 108 Stat. 2892), as amended by section 1223 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136; 117 Stat. 1392), is amended by striking “military officers and civilian officials from states located in Europe or the territory of the former Soviet Union” and inserting “foreign participants”.

Subtitle C—Other Matters

SEC. 1221. REPEAL OF THE ANNUAL REPORTING REQUIREMENT CONCERNING THE ACTIVITIES OF CHINESE MILITARY COMPANIES OPERATING IN THE UNITED STATES.

Section 1233 of the National Defense Authorization Act Fiscal Year 2001 (Public Law 106-398; 114 Stat. 1645A-330), is repealed.

SEC. 1222. REPEAL OF REPORTING REQUIREMENT CONCERNING SPECIAL OPERATIONS FORCES TRAINING WITH FRIENDLY FOREIGN FORCES.

Section 2011 of title 10, United States Code, is amended by striking subsection (e).

SEC. 1223. FOREIGN MILITARY AIDS ADVOCACY, AWARENESS AND PREVENTION ACTIVITIES.

Section 2561(a) of title 10, United States Code, is amended by inserting “, to conduct HIV/AIDS advocacy, awareness, and prevention activities with foreign militaries and international peacekeepers,” after “transportation of humanitarian relief”.

SEC. 1224. REPEAL OF THE AUTHORIZATION FOR THE ESTABLISHMENT OF THE CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS.

Section 914 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 721), is repealed.

SEC. 1225. USE OF DONATED PROPERTY FOR HUMANITARIAN ASSISTANCE PURPOSES.

Section 2608 of title 10, United States Code, is amended—

(1) by redesignating subsections (e) through (k) as subsections (f) through (l), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

“(e) **USE OF PROPERTY FOR HUMANITARIAN ASSISTANCE PURPOSES.**—Notwithstanding any other provision of law, any contribution of property received under this section may be donated by the Department of Defense to developing countries during an exercise, operation or similar activity. The Department of Defense may use its transportation assets and funds to receive, process, manage, store, care for,

transport and distribute this property, including from the location the contribution is received to its eventual destination for donation.”.

SEC. 1226. ASSIGNMENT OF FOREIGN NAVY PERSONNEL TO SUBMARINE SAFETY RESEARCH AND DEVELOPMENT PROGRAMS.

Section 168 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(h) **AUTHORITY FOR ASSIGNMENT OF FOREIGN NAVY OFFICERS AND ENLISTED MEMBERS TO SUBMARINE SAFETY RESEARCH AND DEVELOPMENT PROGRAMS.**—(1) In order to facilitate the development, standardization, and interoperability of submarine vessel safety and rescue systems and procedures, the Secretary of the Navy may conduct a program under which members of foreign navies are assigned to United States commands to work on such systems and procedures.

“(2) The program authorized by this subsection is not an exchange program. Reciprocal assignments of members of the Navy to foreign navies are not required under this program.

“(3)(A) Each government sending members to the United States under the program authorized by this section shall pay the salary, per diem, cost of living, travel costs, cost of language or other training, and other costs for its own personnel in accordance with the laws and regulations of such government.

“(B) Subparagraph (A) does not apply to the following costs:

“(i) The cost of temporary duty directed by the United States Navy.

“(ii) The cost of training programs conducted to familiarize, orient, or certify members of foreign naval personnel regarding unique aspects of their assignments.

“(iii) Costs incident to the use of the facilities of the United States Navy in the performance of assigned duties.

“(4) The requirements of this subsection shall apply in the exercise of any authority of the Secretary of the Navy to enter into an agreement with the government of a foreign country, subject to the concurrence of the Secretary of State, to provide for the assignment of members of the navy of the foreign country to a United States Navy submarine safety program. The Secretary of the Navy may prescribe regulations for the application of this subsection in the exercise of such authority.”.

TITLE XIII—HOMELAND SECURITY

SEC. 1301. REPEAL OF FUNDING RESTRICTIONS CONCERNING DEVELOPMENT OF MEDICAL COUNTERMEASURES AGAINST BIOLOGICAL WARFARE THREATS.

Section 2370a of title 10, United States Code, is repealed.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the “Military Construction Authorization Act for Fiscal Year 2005”.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	23,690,000
Alaska	Fort Richardson	24,300,000
	Fort Wainwright	92,459,000

Army: Inside the United States—Continued

State	Installation or location	Amount
California	Fort Irwin	38,100,000
Colorado	Fort Carson	47,108,000
Georgia	Fort Benning	71,777,000
	Fort Gillem	5,800,000
	Fort McPherson	4,900,000
	Fort Stewart/Hunter Army Air Field	65,495,000
Hawaii	Helemano Military Reservation	75,300,000
	Hickam Air Force	11,200,000
	Pohakuloa Training Area	30,000,000
	Schofield Barracks	187,792,000
	Wheeler Army Air Field	24,000,000
Kansas	Fort Riley	44,050,000
Kentucky	Fort Campbell	89,600,000
	Fort Knox	72,000,000
Louisiana	Fort Polk	70,953,000
Missouri	Fort Leonard Wood	17,750,000
New Mexico	White Sands Missile Range	33,000,000
New York	Fort Drum	4,950,000
	Fort Hamilton	7,600,000
	Military Entrance Processing Station, Buffalo	6,200,000
	United States Military Academy, West Point	60,000,000
North Carolina	Fort Bragg	101,687,000
Oklahoma	Fort Sill	14,400,000
Texas	Fort Bliss	16,500,000
	Fort Hood	78,088,000
Virginia	Fort A.P. Hill	3,975,000
	Fort Myer	49,526,000
Washington	Fort Lewis	48,000,000
	Total	1,420,200,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Grafenwoehr	77,200,000
Italy	Livorno	26,000,000
Korea	Camp Humphreys	12,000,000
	Total	115,200,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

Army: Family Housing

State	Installation or location	Purpose	Amount
Alaska	Fort Richardson	92 Units	42,000,000
	Fort Wainwright	246 Units	124,000,000
Arizona	Fort Huachuca	205 Units	41,000,000
	Yuma Proving Ground	55 Units	14,900,000
Kansas	Fort Riley	126 Units	33,000,000

Army: Family Housing—Continued

State	Installation or location	Purpose	Amount
New Mexico	White Sands Missile Range	156 Units	31,000,000
Oklahoma	Fort Sill	247 Units	47,000,000
Virginia	Fort Lee	218 Units	46,000,000
	Fort Monroe	68 Units	16,000,000
	Total		394,900,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(4)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed \$29,209,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed \$211,990,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition and military family housing functions of the Department of the Army in the total amount of \$3,336,291,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), \$1,250,700,000.

(2) For military construction projects outside the United States authorized by section 2101(b), \$115,200,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$20,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$151,335,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$636,099,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$928,907,000.

(6) For the construction of phase 2 of a barracks complex, 5th & 16th Street, at Ft. Stewart/Hunter Army Air Field, Georgia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$32,950,000.

(7) For the construction of phase 3 of a barracks complex renewal, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1283) and as amended by section 2105 of the Military Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(8) For the construction of phase 2 of the Lewis & Clark instructional facility at Fort Leavenworth, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$44,000,000.

(9) For the construction of phase 2 of a barracks complex at Wheeler Sack Army Air Field at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(10) For the construction of phase 2 of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), \$48,000,000.

(11) For the construction of phase 3 of a maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), \$13,100,000.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	26,670,000
California	Marine Corps Base, Camp Pendleton	38,455,000
	Naval Air Facility, El Centro	54,331,000
Connecticut	Naval Submarine Base, New London	45,882,000
District of Columbia	Naval Observatory, Washington	3,239,000
Florida	Eglin Air Force Base	2,060,000
	Naval Station, Mayport	6,200,000
Georgia	Strategic Weapons Facility Atlantic, Kings Bay	16,000,000
Illinois	Naval Training Station, Great Lakes	10,000
	Recruit Training Command, Great Lakes	74,771,000
Maryland	Naval Surface Warfare Center, Indian Head	13,900,000
North Carolina	Marine Corps Air Station, New River	35,140,000
	Marine Corps Base, Camp Lejeune	6,420,000
	Washington County	136,900,000
Virginia	Camp Elmore Marine Corps Detachment	13,500,000
	Marine Corps Base, Quantico	41,800,000
	Naval Air Station, Oceana	2,770,000
	Naval Amphibious Base, Little Creek	2,850,000
	Naval Station, Norfolk	4,330,000
	Naval Weapons Station, Yorktown	9,870,000
Washington	Naval Shipyard Puget Sound, Bremerton	20,305,000
	Naval Station, Bremerton	74,125,000
	Strategic Weapons Facility Pacific, Bangor	131,090,000
	Total	760,618,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahamas	Naval Undersea Warfare Center, Andros Islands	20,750,000
Diego Garcia	Naval Support Facility, Diego Garcia	17,500,000
Guam	Naval Station, Guam	12,500,000
Guam	Naval Public Works Center, Guam	20,700,000
Italy	Sigonella	22,550,000
Spain	Naval Station, Rota	32,700,000
	Total	126,700,000

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations and in the amount, set forth in the following table:

Navy: Unspecified Worldwide

Location	Installation or location	Amount
Worldwide Unspecified	Unspecified Worldwide	158,640,000
	Total	158,640,000

SEC. 2202. FAMILY HOUSING.

Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

Navy: Family Housing

State	Installation or location	Purpose	Amount
North Carolina	Marine Corps Air Station, Cherry Point	198 Units	27,002,000
	Total	27,002,000

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed \$112,105,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of \$1,904,066,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), \$621,238,000.

(2) For military construction projects outside the United States authorized by section 2201(b), \$126,700,000.—

(3) For the military construction projects at unspecified worldwide locations authorized by section 2201(c), \$98,560,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$87,067,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$139,107,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$704,504,000.

(7) For the construction of increment 2 of the tertiary sewage treatment plant at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1703), \$25,690,000.

(8) For the construction of increment 2 of the general purpose berthing pier at Naval Weapons Station, Earle, New Jersey, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), \$49,200,000.

(9) For the construction of increment 2 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), \$40,000,000.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alaska	Elmendorf Air Force Base	26,057,000
Arizona	Davis-Monthan Air Force Base	10,029,000
	Luke Air Force Base	10,000,000
Arkansas	Little Rock Air Force Base	5,031,000
California	Beale Air Force Base	10,186,000
	Edwards Air Force Base	9,965,000
	Travis Air Force Base	15,244,000
Colorado	Buckley Air Force Base	12,247,000
Florida	Tyndall Air Force Base	18,962,000
Georgia	Robins Air Force Base	15,000,000
Hawaii	Hickam Air Force Base	25,900,000
Louisiana	Barksdale Air Force Base	13,800,000
Maryland	Andrews Air Force Base	17,100,000
North Carolina	Pope Air Force Base	15,150,000
South Carolina	Shaw Air Force Base	3,300,000
Tennessee	Arnold Air Force Base	22,000,000
Texas	Lackland Air Force Base	2,596,000
	Sheppard Air Force Base	50,284,000
Utah	Hill Air Force Base	13,113,000
	Total	295,964,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	25,404,000
Greenland	Thule Air Base	19,800,000
Guam	Andersen Air Base	19,593,000
Italy	Aviano Air Base	6,760,000
Japan	Misawa Air Base	6,700,000
Korea	Kunsan Air Base	37,100,000
	Osan Air Base	18,600,000
Portugal	Lajes Field, Azores	5,689,000
Spain	Naval Station, Rota	14,153,000
United Kingdom	Royal Air Force Lakenheath	5,500,000
	Total	159,299,000

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or location	Amount
Worldwide Classified	Worldwide Unspecified Classified	28,090,000
Worldwide Unspecified	Worldwide Unspecified	26,825,000
	Total	54,915,000

SEC. 2302. FAMILY HOUSING.

(a) **CONSTRUCTION AND ACQUISITION.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

Air Force: Family Housing

State	Installation or location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	250 Units	48,500,000
California	Edwards Air Force Base	218 Units	41,202,000
	Vandenberg Air Force Base	120 Units	30,906,000
Florida	MacDill Air Force Base	61 Units	21,723,000
	MacDill Air Force Base	Housing Maintenance Facility.	1,250,000
Idaho	Mountain Home Air Force Base	147 Units	39,333,000
Mississippi	Columbus Air Force Base	Family Housing Management Facility.	711,000
Missouri	Whiteman Air Force Base	160 Units	37,087,000
Montana	Malmstrom Air Force Base	115 Units	29,910,000
North Carolina	Seymour Johnson Air Force Base	167 Units	32,693,000
North Dakota	Grand Forks Air Force Base	90 Units	26,169,000
	Minot Air Force Base	142 Units	37,087,000
South Carolina	Charleston Air Force Base	Fire Station	1,976,000
South Dakota	Ellsworth Air Force Base	75 Units	21,482,000
Texas	Dyess Air Force Base	127 Units	28,664,000
	Goodfellow Air Force Base	127 Units	20,604,000
Germany	Ramstein Air Base	144 Units	57,691,000
Italy	Aviano Air Base	FH Office	2,542,000
Korea	Osan Air Base	117 Units	46,834,000
United Kingdom	Royal Air Force Lakenheath	154 Units	43,976,000
	Total		570,340,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$38,266,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed \$238,353,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of \$2,374,819,000, as follows:—

(1) For military construction projects inside the United States authorized by section 2301(a), \$295,964,000.

(2) For military construction projects outside the United States authorized by section 2301(b), \$159,299,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), \$54,915,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$13,000,000.

(5) For architectural and engineering services and construction design, under section 2807 of title 10, United States Code, \$140,786,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, \$846,959,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$863,896,000.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	6,000,000
Defense Logistics Agency	Columbus, Ohio	5,500,000
	Defense Distribution Depot, New Cumberland, Pennsylvania	22,300,000
	Defense Distribution Depot, Richmond, Virginia	10,100,000
	Defense Fuel Support Point, Naval Air Station, Oceana, Virginia	3,589,000
	Marine Corps Air Station, Cherry Point, North Carolina	22,700,000
	Naval Air Station, Kingsville, Texas	3,900,000
	Naval Station, Pearl Harbor, Hawaii	3,500,000
	Tinker Air Force Base, Oklahoma	5,400,000
	Travis Air Force Base, California	15,100,000
Missile Defense Agency	Huntsville, Alabama	19,560,000
National Security Agency	Fort Meade, Maryland	15,007,000
Special Operations Command	Corona, California	13,600,000
	Fleet Combat Training Center, Dam Neck, Virginia	5,700,000
	Fort A.P. Hill, Virginia	1,500,000
	Fort Bragg, North Carolina	42,888,000
	Fort Stewart/Hunter Army Air Field, Georgia	17,600,000
	Naval Air Station, North Island, California	1,000,000
	Naval Amphibious Base, Little Creek, Virginia	24,200,000
Tri-Care Management Activity	Buckley Air Force Base, Colorado	2,100,000
	Fort Belvoir, Virginia	100,000,000
	Fort Benning, Georgia	7,100,000
	Jacksonville, Florida	28,438,000
	Langley Air Force Base, Virginia	50,800,000
	Marine Corps Recruit Depot, Parris Island, South Carolina ..	25,000,000
	Total	452,582,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Grafenwoehr, Germany	36,247,000
	Naval Station, Guam	26,964,000
	Vilseck, Germany	9,011,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
Defense Logistics Agency	Defense Fuel Support Point, Lajes Field, Portugal	19,113,000
	Misawa Air Base, Japan	19,900,000
Special Operations Command	Naval Station, Guam, Marianas Islands	2,200,000
	Royal Air Force, Mildenhall, United Kingdom	10,200,000
Tri-Care Management Activity	Diego Garcia	3,800,000
	Grafenwoehr, Germany	13,000,000
	Total	140,435,000

(c) **UNSPECIFIED WORLDWIDE.**—Using the amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(3), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations, and in the amount, set forth in the following table:

Defense Agencies: Unspecified Worldwide

Location	Installation or location	Amount
Worldwide Classified	Worldwide Unspecified Classified	7,400,000
Worldwide Unspecified	Worldwide Unspecified	2,900,000
	Total	10,300,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed \$49,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(7), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of \$60,000,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of \$1,163,477,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), \$395,582,000.

(2) For military construction projects outside the United States authorized by section 2401(b), \$140,435,000.—

(3) For the military construction projects at unspecified worldwide locations authorized by section 2401(c), \$10,300,000.

(4) For unspecified minor military construction projects under section 2805 of title 10, United States Code, \$20,938,000.

(5) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, \$10,000,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$62,182,000.

(7) For Energy Conservation projects authorized by section 2404 of this Act, \$60,000,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), \$246,116,000.

(9) For military family housing functions:

(A) For improvement of military family housing and facilities, \$49,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), \$49,575,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, \$2,500,000.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of \$165,800,000.

TITLE XXVI—CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE

SEC. 2601. AUTHORIZATION OF APPROPRIATIONS, CHEMICAL DEMILITARIZATION.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction and land acquisition for Chemical Demilitarization in the total amount of \$81,886,000, as follows:

(1) For the construction of phase 6 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2697), \$44,792,000.

(2) For the construction of phase 5 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2697), \$37,094,000.

TITLE XXVII—GUARD AND RESERVE FORCES FACILITIES

SEC. 2701. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, \$265,657,000; and

(B) for the Army Reserve, \$87,070,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, \$25,285,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, \$127,368,000; and

(B) for the Air Force Reserve, \$84,556,000.

TITLE XXVIII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2801. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVII for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2008 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2802. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), authorizations set forth in the tables in subsection (b), as provided in sections 2101, 2302, and 2601 of that Act, shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2002 Project Authorizations

State	Installation or location	Project	Amount
Alaska	Fort Wainwright	Power Plant Cooling Tower	23,000,000
Hawaii	Pohakuloa Training Area	Parker Ranch Land Acquisition.	1,500,000

Air Force: Extension of 2002 Project Authorizations

State	Installation or location	Project	Amount
Colorado	Buckley Air Force Base	Construct Family Housing (55 Units).	11,400,000
Idaho	Mountain Home Air Force Base	Replace Family Housing (56 Units).	10,000,000
Louisiana	Barksdale Air Force Base	Replace Family Housing (56 Units).	7,300,000

Army National Guard: Extension of 2002 Project Authorizations

State	Installation or location	Project	Amount
California	Lancaster	Readiness Center (ADRS) ...	4,530,000
Massachusetts	Framingham	Organizational Maintenance Shop.	8,347,000

SEC. 2803. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) **EXTENSION.**—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of Public Law 106–398; 114 Stat. 1654A–389), authorizations set forth in the tables in subsection (b), as provided in sections 2102 and 2401 of that Act, shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

(b) **TABLES.**—The tables referred to in subsection (a) are as follows:

Army: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—Family Housing (1 unit).	250,000

Defense Agency: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
Defense Finance and Accounting Service. Department of Defense Education Activity.	Kleber Kaserne, Germany	Building renovation	7,400,000
	Osan Air Base, Korea	Osan Elementary School Classroom Addition.	843,000

TITLE XXIX—GENERAL PROVISIONS**Subtitle A—Military Construction and Military Family Housing****SEC. 2901. ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.**

Section 2883(g)(1) of title 10, United States Code is amended by striking “\$850,000,000” and inserting “\$1,850,000,000”.

Subtitle B—Real Property and Facilities Administration**SEC. 2911. ESTABLISHMENT OF MUSEUM CENTER OF THE NATIONAL MUSEUM OF THE UNITED STATES ARMY.**

(a) **IN GENERAL.**—Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 4322. The Museum Center of the National Museum of the United States Army

“(a) **AUTHORITY TO ESTABLISH.**—(1) The Secretary of the Army may establish the Museum Center of the National Museum of the United States Army at Fort Belvoir, Virginia.

“(2) The Museum Center may be used to identify, collect, preserve, display, and interpret historic artifacts and artwork of significance to the United States Army.

“(b) **AUTHORITY TO ENTER INTO AGREEMENT.**—(1) The Secretary may enter into an agreement with the Army Historical Foundation, a nonprofit organization, to support the design, construction, and operation of the Museum Center through gifts provided by the Foundation.

“(2) The Secretary may require such terms and conditions in connection with any agreement authorized to be entered into by this subsection as the Secretary considers appropriate to protect the interests of the United States.

“(c) **DESIGN, CONSTRUCTION, AND OPERATION.**—The Secretary may design, construct, and operate facilities for the Museum Center with funds provided by the Army Historical Foundation and gifts accepted under subsection (d).

"(d) USE OF CERTAIN GIFTS.—(1) Under regulations prescribed by the Secretary, the Commander of the United States Army Center of Military History may, without regard to section 2601 of this title, accept, hold, administer, invest, and spend any gift, devise, or bequest of personal property of a value of \$250,000 or less made to the United States if such gift, devise, or bequest is for the benefit of the Museum Center.

"(2) The Secretary may pay or authorize the payment of any reasonable and necessary expense in connection with the conveyance or transfer of a gift, devise, or bequest under this sub section.

"(e) OTHER AUTHORIZED USERS.—(1) The Secretary may make the Museum Center, or space within the Museum Center, available to the public, commercial entities, nonprofit entities, state and local governments, and other departments and agencies of the Federal Government for such uses as deemed appropriate by the Secretary. The Secretary may charge fees for such uses.

"(2) Funds received under paragraph (1) shall be deposited into a special fund maintained by the Secretary for acquisition, preservation, and conservation of rare artifacts and other projects associated with the Museum Center and shall be available for those purposes until expended.

"(f) FUNDRAISING.—The Army Historical Foundation may engage in fundraising operations on the grounds of the Museum Center and its adjacent support facilities with the approval of the Secretary of the Army. The Secretary of the Army may approve the provision of logistical support to fundraising events conducted by the Army Historical Foundation on the grounds of the Museum Center and its adjacent support facilities that is otherwise consistent with Department of Defense policy for the conduct of public affairs and community relations activities and programs throughout the Department of Defense.

"(g) ADVERTISING, MARKETING, AND PROMOTION.—(1) The Secretary of the Army may expend appropriated funds available for the operation and maintenance of the Army for advertising, marketing, and promotion of the National Museum of the United States Army and its programs in order to enhance visitation and the effectiveness of educational programs of the Museum.

"(2) The Secretary of the Army may authorize the Commander of the United States Army Center of Military History, or other appropriate official of the Department of the Army, to expend appropriated funds available for the operation and maintenance of the Army for the promotional hospitality of special guests of the National Museum of the United States Army, not to exceed \$20,006 during a fiscal year."

"(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4322. The Museum Center of the National Museum of the United States Army."

SEC. 2912. EXCHANGE OR SALE OF RESERVE COMPONENT FACILITIES IN RETURN FOR REPLACEMENT FACILITIES.

Section 18233 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g)(1) When the Secretary of Defense determines it is in the best interests of the United States to acquire a facility under this section as a replacement for an existing facility, the Secretary may exchange the existing facility for a replacement facility or sell the existing facility and use the proceeds to acquire a replacement facility.

"(2) In any exchange or sale under paragraph (1), the United States shall receive cash or a replacement facility, or both, of a value at least equal to the fair market value of the existing facility.

"(3) Acquisition of a replacement facility under paragraph (1) by exchange, sale, or combination of exchange and sale, may be accomplished by construction, expansion, rehabilitation, and conversion and shall result in a fully equipped and operational replacement facility. Nothing in this paragraph shall prohibit the Secretary from contributing additional funds, in accordance with this section, to obtain a fully equipped and operational replacement facility.

"(4) Any funds received under this subsection in excess of the funds expended for the replacement facility may be used for the purposes of subsection (a).

"(5) The funds received under this subsection shall be placed in a separate account for use in accordance with this subsection without further appropriation.

"(6) This subsection shall not be subject to the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. § 11301 et seq.)."

Subtitle C—Other Matters

SEC. 2921. MINOR MILITARY CONSTRUCTION TO IMPROVE FORCE PROTECTION.

Section 2805 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking “21-day” and inserting “5-day”; and

(2) in subsection (c)(1)—

(A) by striking “or” at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(C) by adding at the end the following new subparagraph:

“(C) \$5,000,000, in the case of an unspecified minor military construction project intended solely to correct a deficiency in force protection.”.



FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—SECRETARY OF DEFENSE; VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF; UNDER SECRETARY OF DEFENSE (COMPTROLLER)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, February 4, 2004.

The committee met, pursuant to call, at 1:15 p.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

This afternoon the committee meets to receive testimony on the Department of Defense (DOD) Fiscal Year 2005 budget request. Our witnesses are the Honorable Donald H. Rumsfeld, Secretary of Defense, and General Peter Pace, Vice Chairman of the Joint Chiefs of Staff.

Gentlemen, thank you for being with us.

I understand you are accompanied by the Honorable Dov Zakheim, Under Secretary of Defense and Chief Financial Officer, and the Honorable David Chu, Under Secretary of Defense for Personnel and Readiness. And thank you for being with us. We hope you have not grown weary of the Rayburn Building yet.

In light of the fact, Mr. Secretary, that you have got a crunch for time, and we have got lots of members with lots of questions, let me just say very briefly and preliminarily that I have seen and looked at the budget. We are obviously still going through it. Other members have.

It appears that you made a sound attempt to balance the urgent needs of the theaters of war with long-term requirements. That is always a difficult task, but I think, at least on first blush, that you made a good job of it. Certainly we are going to want to work our will and oversight with this package, but it is a good package, one of the few budgets that has been presented that is an increase, represents a seven percent increase over last year.

So, having said that, let me simply yield to my partner, the gentleman from Missouri, Mr. Skelton, for any remarks he would like to make, and then we will be happy to turn the floor over to you.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 55.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you very much.

Mr. Secretary, welcome back. It is good to see you; and I am sure you have already gotten a fill of this room today, as I understand it.

But, General Pace and Mr. Zakheim, thank you; and, Dr. Chu, thank you very much for being with us.

Mr. Chairman, as you know, I just returned from my second trip to Iraq and my first trip to Afghanistan about 48 hours ago. The impression that remains is again one of tremendous pride in our amazing American soldiers. Just amazing. Morale was high, and they are doing so very much every day to bring stability to those places. We just can't thank them enough; and I think, Mr. Secretary, you should know that.

We are facing real dangers now. I am convinced through my being there and talking with so many people, we will not be ready for transfer of the sovereignty by June the 30th. Let us not let our own timetable, actual timetable, determine the future. Rather, we should, in my opinion, Mr. Secretary, turn over the sovereignty when there is a stable and viable government, adopted constitution, and stable, secured, fully restored services.

If we rush to judgment, rush to progress, I think—and I hope I am dead wrong—I think that there is a likelihood of a civil war among the Shi'a, the Sunni, and the Kurds that could spiral out of control; and I am very concerned about this.

I give you my best thought on this from talking with a lot of folks over there, having met with some of the Governing Counsel. In particular, I had a very interesting conversation with a Kurdish leader, and I don't say what I said lightly, Mr. Secretary.

However, it should help in Iraq by getting the North Atlantic Treaty Organization (NATO) involved as they are in Afghanistan; actually, more so. The Alliance would diminish the perception that this is primarily an American operation while alleviating the burden on our troops.

Our partners in Europe have an interest in a strong and secure Iraq even more so than we. NATO has certainly helped in Afghanistan around the Kabul area and up in the northeast corner, and they seem to be making progress under the NATO umbrella. And the Taliban and al Qaeda are security challenges, as continues, and I think that we have to continue our efforts in Afghanistan now.

I would like to turn for a moment, if I may, Mr. Chairman, to the President's defense budget request. I applaud the increase it puts toward our national security and the funding, including the pay raise that is included for our troops, but let me spell out a couple concerns, if I may.

The budget does not account for the operations in Iraq and Afghanistan, despite the fact that these have been ongoing for some time. While I recognize it is very difficult to predict precise costs, our track record today must give us some estimate, at least I think, of what we are likely to spend.

Also, the overall budget increases of \$26.4 billion is—I applaud it, but I also see that the Army increased only \$1.8 billion, al-

though they are carrying a large majority of the mission in Iraq as well as being deployed in 130 countries; and the soldiers and their families I think deserve more of an increase.

In my opinion, the Army as well as other services need additional end strength. I commend General Schoomaker, who testified here a number of days ago; and I commend him for his efforts in undertaking to find the 30,000 additional soldiers. I have to tell you, I disagree with his premise in that demand, in my opinion, is not a temporary spike.

Going back, Mr. Secretary, to the testimony in 1995 in this room by the head of the personnel of the Army, Lieutenant General Strop, there was a need for end strength, according to his testimony then; and we were just going into the Balkans at that time. We still have, of course, forces in Korea, Germany, and the Balkans; and I think we should take a good hard look at the increase in end strength.

But, Mr. Secretary, I must tell you I really, really am proud of the young folks in uniform, and I know that you are, as well. I talked to any number of them, had lunch with them, had breakfast with them, talked to them on post. I didn't find a complainer. They know their duty, and I have talked to both active duty, guard and some reserve. You should be very proud of our troops, and I pass that on to you.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 60.]

The CHAIRMAN. I thank the distinguished gentleman.

Mr. Secretary, are you ready for the next go-around?

Secretary RUMSFELD. Yes, sir.

The CHAIRMAN. Okay, the floor is yours.

STATEMENT OF THE HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE

Secretary RUMSFELD. Well, thank you very much for this opportunity to testify on our proposed budget. I would request that the full statement be put in the record.

The CHAIRMAN. Without objection.

Secretary RUMSFELD. I regret that General Myers couldn't be here because of a death in the family and am certainly pleased to have General Pace, Dr. Zakheim, and Dr. Chu. We also have Dr. Steve Cambone, the Under Secretary for Intelligence, here in case there are questions in that area that merit detailed answers.

I first want to commend the men and women in uniform. I know what Congressman Skelton means when he says they are doing a superb job. Indeed, they are. They could not be doing a better job. They are proud of what they are doing, they recognize the importance of it, and they are doing it with great skill and dedication. What they have accomplished since our country was attacked 28 months ago is truly impressive.

Certainly I want to thank the people on this committee who have taken the time to go into Iraq and into Afghanistan and see the troops. It is not a leisurely trip. It is important. They appreciate it. They value it. You are able to come back and know firsthand

what is taking place there and help to have the American people have a better understanding of it.

Those folks have been—oh, gosh, in the last—what—28 months have overthrown two terrorist regimes. They have captured or killed 45 of the 55 most wanted in Iraq, including Saddam Hussein and his sons. They have captured or killed close to two-thirds of the senior al Qaeda operatives. They have been disrupting terrorist cells on most continents. We value their service, their sacrifice, and certainly also the sacrifice of their families.

When this administration took office 3 years ago, the President charged us to challenge the status quo and to prepare the Department to help meet the 21st century threats and challenges.

To meet that charge, we have fashioned a new defense strategy, a new force sizing construct, a new approach to balancing risks. We have issued a new unified command plan, taken steps to attract and retain the needed talent in the Armed Forces, including using targeted pay raises and quality-of-life improvements for the troops and their families. We have instituted more realistic budgeting procedures so that the Department now looks to emergency supplementals for unknown costs of fighting wars, not to sustain readiness. And we have completed the Nuclear Posture Review.

We have transformed the way the Department prepares its war plans. We have adopted a new “lessons learned” approach in the Operation Iraqi Freedom (OIF) exercise, and undertaken a comprehensive review of the global force posture. With your help, we are establishing a new National Security Personnel System which we believe will help us better manage the 746,000 civilian employees.

The scope and scale of what has been accomplished in the Department is substantial. Our challenge is to build on these efforts even as we fight the Global War On Terror.

One effect of the Global War On Terror has been a significant increase in operational tempo, as has been mentioned, an increase in the demand on the force. To manage the demand on the force, we have to first be very clear about what the problem is so we can work together to fashion appropriate solutions.

The increased demand on the force we are experiencing today, we hope, is a spike. One can't know of certain knowledge whether it will prove to be a spike, but we believe it is a spike driven by the deployment of some 115,000 troops in Iraq and still more in another increment in Afghanistan.

For the moment, the increased demand is real, and we have had to take a number of immediate actions. We are increasing the international military participation both in Afghanistan and Iraq, we have accelerated the training of Iraqi security forces, we have gone from zero up to 200,000 strong, and our forces are hunting down those who threaten Iraq's stability and their ability to transition to self-reliance.

Another way to deal with the increased demand of the force is to simply add more people, as some have proposed. Well, we have already done that, a fact that many may not be fully aware of. If you look at the chart to my right, and your left, using the powers granted by Congress we have been increasing the active duty force levels by nearly 33,000 above the pre-September 11th authorized

end strength. When the President signed the emergency order, it relieved us of the statutory end strength numbers and enabled us to increase to meet the needs. So over this period of time we have been increasing the size of the force levels.

There is some confusion about the phrase "end strength" as opposed to "force levels". End strength is the statutory number, as the people on the committee know, that we are required to be at or near at the beginning and end of each year. Force levels, we are allowed to fluctuate above and below during the year; and in the case of an emergency, we can fluctuate substantially as we have. Clearly, if the war on terror demands it, we will not hesitate to increase force levels even more using the emergency authorities that you have already provided.

But it should give us pause that even a temporary increase in our force levels was and remains necessary today. Think about it. At this moment we have a pool of 2.6 million men and women, both active and reserve. That is to say that 1.4 active, the 747,000 in the guard and reserve, the additional Individual Ready Reserve brings us up to a total pool of about 2.6 million. Yet the deployment of 115,000 troops in Iraq has required us to temporarily increase the size of the force by 33,000. That suggests strongly to me that the real problem may not be the size of the force, per se, but rather the way the force is being managed and the mix of capabilities that are at our disposal; and it suggests that our challenge is considerably more complex than simply adding more troops.

Pete Schoomaker, the new Chief of Staff of the Army, compares the problem to a barrel of rainwater. When you have a spigot that is near the top and you turn the spigot on, all you can draw is the water at the top. If the spigot is at the bottom, you can draw the entire rain barrel.

Our situation is that you have got two choices if the spigot is too far up. One is to get a bigger rain barrel or to move the spigot down to the bottom where you can have access to all of the water in the rain barrel. In my view, the answer is not a bigger rain barrel. The answer is to move the spigot down so that all of it is accessible so we can take full advantage of the talents and the skills and the dedication of all of the 2.6 million who volunteered to serve.

Consider another example. I keep hearing people talk about the stress on the guard and the reserve. If you would put the second chart—I hope you can see it from there. The fact is, that since September 2001, we have mobilized only 36 percent of the Selective reserve, a little over one-third of the available forces in the Selective reserve, and we have not drawn on the Individual Ready Reserve.

But while certain skills are in demand, as the chart behind me shows to the right, only a very small fraction of the guard and reserve, just 7.15 percent, have been involuntary mobilized more than once since 1990. That is to say, in 13 years only 7.15 percent of the guard and reserve have been mobilized more than once; and the vast majority of our guard and reserve forces, over 60 percent, have not been mobilized to fight the Global War On Terror. Indeed, I am told that a full 58 percent of the current Selective reserve, or about 500,000 troops, have not been involuntary mobilized in the past 10 years.

What does that tell us? Well, first, it argues that we have too few guard and reserve forces with the skill sets that are in high demand and too many guard and reserve forces with skills that are in little or no demand. So we need to balance that within the guard and reserve.

Second, it indicates that we need to rebalance the skill sets within the reserve components and the active components so that we have enough of the right kinds of forces available to accomplish our missions in the active force and we don't have to keep overusing that small percentage of the guard and reserve that have in fact been called up more than once in the last ten years.

And, third, it suggests that we need to focus on transforming the forces for the future, making sure we continue to increase the capability of the force and, thus, our ability to do more with the forces we have; and we are working to do just that.

In looking at our Global Force Posture Review, some observers have focused on the number of troops, tanks, ships that we might add or remove in a given part of the world. I would submit that that is one measure, but it is not the only measure. If you have 10 of something and you reduce it by 5—tanks, for example—but you remain—you replace the remaining 5 tanks with a vastly more capable tank, you end up not having 50 percent of the capability, but the same capability, even though the numbers have been reduced.

Today, the Navy, for example, is reducing its force levels modestly. Yet because of the way they are arranging themselves, they are going to have more combat power available than they did when they had more people.

In Operation Iraqi Freedom, the Navy surged more than half of the fleet to the Persian region for the fight. With the end of the major combat operations, instead of keeping two or three carrier strike groups forward deployed, they quickly redeployed all their carrier strike groups to home base, and by doing so they reset the force in a way that will allow them to surge over 50 percent more combat power on short notice to deal with future contingencies.

The result? Today, six aircraft carrier strike groups are available to respond immediately to any crisis that could confront us, all while the Navy is moderately reducing the size of its active force.

The Army, by contrast, has put forward a plan that, by using emergency powers, will increase the force levels by roughly six percent. But because of the way they are going to do it, General Schoomaker estimates that the Army will be adding not 6 percent but up to 30 percent more combat power. Instead of adding more divisions, the Army is focusing instead on creating a 21st century modular Army made up of self-contained, more self-sustaining brigades that are available to work with any division commander. As a result, 75 percent of Army brigades structures should always be ready in the event of a crisis.

He is proposing that they go from some 33 brigades today up to 43 over the next 4 years, with an offramp possible, and all the way up to 48 brigades, up from 33 over a 5-year period.

Five or six?

General PACE. Six total.

Secretary RUMSFELD. Six total.

The Army plan is a good one, in my view, but because we will be using emergency powers, we will have the flexibility to reduce the number of active troops if the security situation permits and/or if some of the efficiencies that he is putting in place permit. We won't know that. You can't look out six years and be certain. We will have that flexibility.

The point is, the focus needs to be more than on just numbers of troops. It should be on finding ways to better manage the force, as we have, and by increasing the speed, agility, the modularity, the capability, and the usability of those forces.

Today, DOD has several dozen initiatives under way to improve the management of the force and to increase its capability. We are investing in new information age technologies, less manpower intensive platforms, and technology. We are working to increase the jointness of the forces. We are taking civilian tasks currently done by uniformed personnel and converting them to civilian jobs, freeing military personnel for military tasks. And we have begun consultations with allies and friends about ways to transform our global force posture to further increase our capability. We are working to rebalance the active and reserve components, taking the skills that are now found almost exclusively in reserve components and moving them into the active force; moving forces out of low-demand specialties such as artillery, heavy artillery, and into high-demand capabilities such as military police, civil affairs, and Special Operation Forces, skill sets that have been used extensively from the reserves and the guard.

A number of you on this committee have served in the guard and reserve, and each of us knew when we signed up it was not simply to serve one weekend a month and two weeks active duty. We signed up so that, if war were visited on our country, we would be ready to become part of the active force. And on September 11th war was visited in our country.

If we were not to call up the guard and reserve today, then why would we have them at all? This is the purpose of the guard and the reserve and the total force concept. It is what they signed up for; and, God bless them, the vast majority of them are eager to serve, a fact that has been borne out by the large number of those who stepped forward and volunteered to be mobilized for service in Afghanistan and Iraq.

Our responsibility is to do everything we can to see that they are treated respectfully, managed effectively, and that they have the tools needed to win today's war and to deter future conflicts.

Today, because DOD has the flexibility to adjust troop levels as the security situation requires, we believe that a statutory end strength increase would take away that flexibility to manage the force.

First, if the current increased demand turns out to be a spike, the Department would face a substantial cost of supporting a larger force when it may no longer be needed.

Second, if we permanently increase statutory end strength, we will have to take the cost out of the DOD top line. That will require cuts in other parts of the defense budget, crowding out investments in the very programs that will allow us to manage the force and make it more capable.

I urge Congress to not lock us into a force, size, and structure statutorily that may or may not be appropriate in the period ahead.

The 2005 budget before you is, in a real sense, a request for a second installment of funding for the transformation priorities set out in the President's 2004 request.

In 2005, we requested \$29 billion for investment in transforming military capabilities. We have requested an additional fund to strengthen intelligence, including critical funds to increase DOD human intelligence capabilities, persistent surveillance, as well as technical analysis and information sharing. We have requested \$11.1 billion to support procurement of 9 ships in 2005. In all, the President has requested \$75 billion for procurement in 2005 and \$69 billion for research, development, test and evaluation (RDT&E).

We also need your continuing support for two initiatives that are critical to transformation, the Global Posture Review and the Base Realignment and Closure Commission scheduled for 2005. These are important initiatives.

We need base realignment and closure (BRAC) to rationalize our infrastructure with the new defense strategy and to eliminate unneeded bases and facilities that are costing the taxpayers billions of dollars to support. We need the global posture changes to help us reposition our forces from around the world so that we are stationed not where the wars of the 20th century happen to end, but rather they are arranged in a way that will allow them to deter and, as necessary, defeat potential adversaries who might threaten our security, or that of friends and allies, in the 21st century.

Mr. Chairman, the President has asked Congress for \$401.7 billion for fiscal year 2005. It is an enormous amount of the taxpayers' hard-earned dollars. Such investments will likely be required for a number of years to come because our Nation is engaged in a struggle that could go on for some time. Our objective is to ensure that our Armed Forces are the best-trained, the best-equipped fighting force in the world and that we treat the volunteers, active, guard and reserve that make up the force with the respect to measure it with their sacrifice and their dedication.

Mr. Chairman, I have some remarks on the issue of weapons of mass destruction (WMD) which I could present or I could defer. I don't know how you would like to proceed on that.

The CHAIRMAN. Sure. I think you are probably going to be asked a question or two about WMD, so fire away.

Secretary RUMSFELD. I think it is probably—even though this is a budget hearing, I think it is probably good to at least set forth some thoughts.

During my confirmation hearing three years ago in the Senate, I was asked what would keep me up at night. I answered: intelligence. I said that because the challenge facing the intelligence community then and today is truly difficult. Their task is to penetrate closed societies and organizations.

If you could put up the chart. This is the Korean Peninsula. In the middle you see the line is the Demilitarized Zone. South are the South Korean people, the same people that are in North Korea. In the south you can see the energy, a night picture from a satellite. They have got a vibrant economy, they have got a vibrant

democracy, they are a major trading partner with the world; and in the north is darkness. The task is to penetrate closed societies like this and organizations to try to learn things that our adversaries don't want us to know, often not knowing precisely what it is we need to know, while the adversaries know precisely what it is they don't want us to know. That is a tough assignment for the intelligence community. Let there be no doubt.

Intelligence agencies are operating in an area of surprise, when new threats can emerge suddenly with little or no warning, as happened on September 11th, and it is their task to try to connect the dots before the fact so that action can be taken to protect the American people.

Think how hard it is to connect the dots after the fact. We have got—what—four or five different commissions looking into that, and it is terribly difficult. Connecting them before the fact is vastly more difficult, and they must do this in an age when the margin for error is small, when terrorist networks and terrorist states are pursuing weapons of mass destruction and the consequences of underestimating a threat could be the loss of potentially tens of thousands of innocent lives.

The men and women in the intelligence community have a tough and often thankless job. If they fail, the world knows it; and when they succeed, as they often do, to our country's great benefit, their accomplishments often have to remain secret. We can't always discuss successes in open session, but it is certainly worth all of us to know that they exist.

I hope and trust that the Director of Central Intelligence in the days ahead will be able to make public some recent examples of successes, because there have been many, and I think it is important that the impression that has been and is currently being created of broad intelligence failures can be dispelled and balanced with truth.

I can say that the intelligence community support in Afghanistan and Iraq as well as the Global War On Terror overall has contributed to speed the precision and the success of those operations and has saved countless lives. Their support to the battlefield commanders has been considerable.

We are blessed that so many fine individuals have stepped forward to serve in the intelligence community and are willing to work under great pressure and, in more than a few cases, risk their lives. They faced a difficult challenge in the case of Iraq. They knew the history of the regime, its use of chemical weapons on its own peoples and its neighbors. They knew what had been discovered during the inspections after the Persian Gulf War. Some of which was far more advanced than the pre-Gulf War intelligence had indicated. And they were keen observers of the reports that The World Nations Special Commission on Iraq (UNSCOM) submitted in the 1990s.

They and others did their best to penetrate the secrets of the regime of Saddam Hussein after the inspectors left in 1998. It was the consensus of the intelligence community and of successive administrations of both parties and of the Congress that reviewed the same intelligence and much of the international community's intel-

ligence organizations that Saddam Hussein had and was pursuing weapons of mass destruction.

Saddam Hussein's behavior throughout the period reinforced that conclusion. He did not behave like someone who was disarming and wanted to prove he was doing so. He did not open up his country to the world as Kazakhstan, Ukraine, and South Africa had previously done and as Libya is doing today. Instead, he continued to give up tens of billions of dollars in oil revenues that he could have had, but because of the U.N. sanctions and because he would not open up his country, he was denied those tens of billions of dollars.

He could have had them simply by demonstrating that he had disarmed. Why did he do that? His regime filed with the United Nations what almost everybody agreed was a fraudulent declaration, and he ignored the final opportunity afforded him by U.N. Resolution 1441. Why?

The Congress, the national security teams in both the past and the current administrations looked essentially at the same intelligence. They came to similar conclusions: that the Iraqi regime posed a threat and should be changed, and Congress passed legislation for regime change. In the end, the coalition of nations decided to enforce the U.N.'s resolutions.

David Kay served in Iraq for some six months, directing the work of the Iraq Survey Group, the ISG. He and the group worked hard under difficult circumstances and dangerous conditions, and they brought forward important information. Dr. Kay is a scientist and an experienced weapons inspector. He outlined for the Congress his hypothesis on the difference between pre-war estimates of Iraq's WMD and what has been found thus far on the ground.

While it is too early to come to final conclusions, given the work still to be done—and there is work still to be done and it is too soon to make final conclusions—there are several alternative views that seem to be being postulated in the press and in the media.

First is the theory that weapons of mass destruction might not have existed at the start of the war. Second is that it is possible that WMD did exist, but was transferred in whole or in part to one or more other countries. Third, you see the theory that it is possible that WMD existed but was dispersed and hidden throughout Iraq and it is still there. Next, it is possible that WMD existed, but was destroyed is another theory. Another is that it is possible that Iraq had small quantities of biological and chemical agents, but also had a surge capability for a rapid build-up and that we may eventually find those small quantities in the months ahead.

If you think about it, the hole that Saddam Hussein was found in was big enough to hold enough biological weapons to kill thousands of people, and the troops had gone by that place a number of times before finding Saddam Hussein.

Finally, there is a theory that it could have been a charade; that is to say that Saddam Hussein fooled his neighbors and the world. A theory that he fooled the members of his own regime. Or the idea that Saddam Hussein himself might have been fooled by his own people who may have tricked him into believing that he had the capabilities that he had ordered them to have that they didn't really have.

Well, we will learn more about those various theories in the weeks and months ahead as the Iraqi Survey Group finishes its work.

This much has been confirmed: The intelligence community got it essentially right on the Iraqi missile programs. Iraq was exceeding the U.N.-imposed missile range limits. Documents found by the ISG show evidence of high-level negotiations between Iraq and North Korea for the transfer of still-longer-range missile technology.

If we were to accept that Iraq had a surge capability for biological and chemical agents, his missiles could have been armed with those weapons of mass destruction and used to threaten his neighbors.

It is the job of Dr. Kay's successor and the Iraqi Survey Group to pursue these issues wherever the facts may take them. It is a difficult task. If you think about it, it took us ten months to find Saddam Hussein; and, unlike Saddam Hussein, such objects, chemical or biological weapons, once buried can stay buried. In a country the size of California, the chances of inspectors finding something buried in the ground without their being led to it and tipped off to it and taken directly there, as was the case with Saddam Hussein, is minimal.

As Dr. Kay testified, what we have learned thus far has not proven that Saddam Hussein had what intelligence indicated he had, but it also has not proven the opposite. The ISG's work is not complete. There are some 1,300 people in the ISG in Iraq working hard at personal risk to find ground troops. When that work is complete, we will know more. We may even then not know everything. Whatever the final outcome, it is important that we seize the opportunity to derive lessons learned to inform future decisions.

In DOD, the Joint Forces Command has done an extensive review of Operation Iraqi Freedom. The intelligence community is also looking at lessons learned.

In addition to the lessons learned from Iraq, it is important that we step back and take a look at the bigger picture and see that U.S. intelligence capabilities are strengthened sufficiently to meet the threats and challenges of the 21st century.

The President has announced the formation of a bipartisan commission on strengthening U.S. intelligence communities. It will review past successes of the community as well as where the situation suggests failures to examine whether the community has the right skills, the proper resources and the appropriate authorities to meet the challenges of the 21st century.

Intelligence will never be perfect. We do not, we will not, and we cannot know everything that is going on in the world. If at this important moment we mistake intelligence for irrefutable evidence, analysts might become hesitant to inform policymakers of what they think they know, what they know that they don't know, and what they think; and policymakers, bereft of intelligence, will find themselves much less able to make the prudential judgments necessary to protect our country.

I am convinced that the President did the right thing in Iraq. I came to my conclusions based on the intelligence we all saw, just

as each of you made your judgments and cast your votes based on that same information.

The President has sworn to preserve, protect, and defend the Nation. With respect to Iraq, he took the available evidence into account, he took into account September 11th, he took into account Saddam Hussein's behavior of deception, he took into account Iraq's ongoing defiance of the United Nations and the fact that he was still shooting at U.S. and U.K. aircraft that were enforcing U.N. Resolutions in northern and southern no fly zones, and he took into account the fact that this was a vicious regime that had used weapons of mass destruction against its own people, against its neighbors and murdered and tortured the Iraqi people for decades.

The President went to the United Nations, and the Security Council passed a 17th resolution. He came here to this Congress and, based on the same intelligence, the Congress supported military action if the regime failed to take that final opportunity to cooperate with the United Nations. And when Saddam Hussein did pass up that final opportunity, the President gave him still another opportunity, an ultimatum to leave the country. Only then, when all alternatives had been fully exhausted, did the coalition act to liberate Iraq, and ours is a safer world today, and the Iraqi people are far better off.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary.

[The prepared statement of Secretary Rumsfeld can be found in the Appendix on page 64.]

The CHAIRMAN. General Pace, the floor is yours, sir.

General PACE. Thank you, members of the committee.

Sir, General Myers prepared a written statement which I would ask to be submitted as part of the testimony for today.

The CHAIRMAN. Without objection, we will put that in the record.

General PACE. Thank you, sir.

[The prepared statement of General Myers can be found in the Appendix on page 82.]

STATEMENT OF GEN. PETER PACE, VICE CHAIRMAN, JOINT CHIEFS OF STAFF

General PACE. I will keep my opening comments brief, but I would be remiss if I didn't say a few things.

First, a very sincere thank you to this committee and Congress for the superb support—

The CHAIRMAN. You might pull that mike a little closer to you, General. And, General, also could you convey to General Myers our condolences on the loss and his family. He has been before this committee many times, spent a lot of time with us over the last year or so, and let him know that we are thinking about him.

General PACE. I will do that, sir. Thank you very much.

I would like to thank the committee on behalf of all of us in uniform for the superb support. And this is not pro forma words. These are the truth: That we have the best-equipped, best-trained, most capable Armed Forces in the world because of sustained, strong, bipartisan support of the Congress, and we deeply appreciate it, sir.

I would like to thank the servicemen and women who serve our country overseas and here at home. They have been doing everything superbly well; and, like others, have already said today, we are very, very proud of them. Thank their families. They sacrifice here at home sometimes more than those who deploy. They worry about us, they keep their family tied together at home, and their individual sacrifices mean a lot to this country.

We should also thank the employers of our superb guard and reserve. These are wonderful individuals who are making significant contributions when they had their uniform on. And because they are as good as they are in the military, we understand that some business somewhere is missing a key member of their team, and we appreciate the support of the employers around the world.

We are a nation at war, but we are not in this war by ourselves. Our coalition partners have been and will continue to be invaluable in this fight. Together with them we will protect our home lands and we will defeat terrorism.

This will be a long and difficult fight, but it is certainly a fight worthy of the extraordinary efforts of your soldiers, sailors, airmen, Marines and Coast Guardsmen. When you visit with them, as many of you have, when you look them in the eye, you understand immediately, they get it. They are proud of what they are doing. They understand what is at stake, and they understand that the many good things that they are doing don't always make it onto the evening news, but they also understand that those good works which they are doing, the security that they are providing, the schools that they are rebuilding, the hospitals that they are building, the roads, the electricity network, the water, all that they are doing is providing the very fabric of the societies that would allow representative governments to emerge in both Afghanistan and Iraq.

Their extraordinary efforts overseas have been and must continue to be matched at home by our collective will, patience, and commitment. Our Nation and those who serve her deserve no less.

I am proud to sit here before you today representing each of them. I am proud to be part of this process with you, and I look forward to your questions.

The CHAIRMAN. General, thank you very much.

Mr. Secretary, General Pace, and all your team, thank you for the great service over the last year. I appreciate your hard work and all the long hours we have spent, tons of hours on briefings and keeping Congress up to speed as we move through this operation in Iraq and Afghanistan.

Mr. Zakheim, thank you for your patient explanation over many, many months in your shop. We thank you for what you are doing.

I will reserve my questions and recognize the gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Mr. Chairman, thank you very much.

As all of us know, these are very difficult days for our country and for the challenges that we have. I have a deep concern—let me speak, Mr. Secretary, about Iraq. There are two Damocles swords that hang over this situation, and both of them are timetables. One timetable is the transfer of sovereignty on June the 30th, the other is the March 31 deadline that is laid out for a status of forces

agreement which gives us the guidelines from that moment on as to the limitations and the authorizations of our military in Iraq.

General Abizaid said last week that it is unlikely to get a status of forces agreement by June the 30th, much less by the deadline of March the 31st. The status forces agreement could be—and I hope it is not—could be a serious problem if it limits the rules of engagement and limits our ability to go after the guerillas in any manner whatsoever. If it does that, it would put our forces in far more danger than they are now.

Looking to the June 30th transfer of sovereignty, in my opinion I don't think it can happen by that time. We don't know what type of selection process we will have.

I think as we speak today—yesterday, I think—the United Nations is sending a team in to see what type of selection, elections, caucuses, or combination thereof would work and what would come to pass. We don't know what the constitution will look like. We don't know what type of selection process, election or something like that. We don't know who the candidates may be.

We don't know who, of course, will be the government, which, as I understand it, will be an 18-month government from election, if I am correct. That government would also have the power to undo any status of forces agreement that would be made earlier. So I just don't—I think we may be rushing to judgment on this whole effort.

I do notice the present—the administration—let me see if I can get this right, Mr. Secretary. Administration sources say that the President may be willing to postpone Iraqi self-rule as a last resort. I don't think there is any question about it. It has to be done. This is too serious to rush into something that may not work. If it doesn't work, I think there is a strong possibility of civil war, which no one wants.

I would ask, Mr. Secretary, for your thoughts on this, in my opinion, extremely serious situation, please.

Secretary RUMSFELD. Congressman Skelton, you have elevated an enormously important issue that is, as you suggested, currently being discussed in Washington and in the coalition countries that have exactly the same circumstance we do. There are 34 countries now with forces in there, and each of them have the same circumstance: the need to make sure that we have the ability to assure the status of our forces.

The decisions as to when sovereignty will pass will be a decision made by the President and the coalition. The target date is June 30th. The theory behind that was that it is a good thing to try to get the Iraqis taking a bigger role in their own lives and to have that responsibility.

No one wants to rush it. On the other hand, the feeling is that, to the extent the Iraqi people see the Iraqis governing themselves, they are more likely to have a stake in how that is done and in the future of that. So the desire has been to have governance move along a track, security move along a track, and we are now up to 200,000 Iraqi security forces and have the essential services—electricity, water, power—all move along together because each is, in one way or another, dependent on the other.

The subject of the status of forces agreement is something that is being discussed at the present time. I don't know that there is anything magical about March 31st. Obviously, you have to have a timetable so you set out dates; and to the extent it can be done then, fine. In the last analysis, nothing would take effect until sovereignty transferred anyway, and so that takes you down to June 30th or whenever that actually happens, depending on the facts on the ground.

I think your concern about civil strife is realistic. Historically, one looks at that country, and we know they have had civil strife. We also know that there are terrorists who would like to foment civil strife because it is to their advantage. So what we are doing is we are sensitive to the points you have raised. They are terribly important. I can assure you we are not going to leave our forces nor are the other 33 countries going to leave their forces in a circumstance that is disadvantageous.

Mr. SKELTON. Thank you very much, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Pennsylvania, Mr. Weldon.

Mr. WELDON. Thank you, Mr. Chairman.

Secretary Rumsfeld, General Pace, Secretary Zakheim, thank you all for being here. I have three points I would like to make and end with a question.

The first regards intelligence which you referred to, Secretary Rumsfeld. I take right great pride that it was this committee that back in 2000 and 2001 put language in both of our defense bills calling for the creation of a national operations and analysis hub or a national integrated data fusion center to bring together all 33 classified systems of the Federal Government.

It was then-Deputy Secretary of Defense John Hamre that asked me to convene a meeting in my office one year before 9/11, bringing in his counterparts in the Central Intelligence Agency (CIA) and the Federal Bureau of Investigation (FBI), which I did. We briefed the three members, and it was the CIA and the FBI who at that time said we don't need the capability, one year before 9/11. We don't need to have the capability of data mining and bringing in all the various data points that could allow us to understand emerging threats.

This is an important point for us to think about in looking at intelligence capabilities, and this committee was on the forefront of that effort.

The second point. I just led a delegation with five members of this committee through Libya, Afghanistan, Iraq. We stayed overnight at the K2 base in Uzbekistan and spent a day at Ramstein with our troops that are on their way home. In fact, we bought 12 troops back with us who had been injured.

The two key things that we heard from them out in the field was the need for immediate assistance with linguistics all the way down to the basic brigade level, from General Ordiano's troops, as well as additional use of unmanned aerial vehicles (UAV)s, especially small, portable UAVs, to assist us in allowing our soldiers to understand the immediate threat they were facing.

I would ask you, as I have in previous meetings all day today, to assist us in addressing each of those concerns.

Finally, I want to talk about something very specific to what you addressed, weapons of mass destruction. Perhaps the most important of our 45 meetings on the 6-day trip, Secretary Rumsfeld, wasn't the meeting with Qadhafi, although it was interesting. It was an hour and a half meeting with a two-star general with named Keith Dayton.

Because, you know, Mr. Secretary, I, like the rest of America, was under the wrong impression. Based on what the media has been saying and interpreting Mr. Kay's comments—Dr. Kay's comments, I thought Dr. Kay ran the Iraq Survey Group. I learned, and I would ask you to verify, that Dr. Kay was only a consultant to the two-star General Dayton, who has the responsibility, as he has had since this was stood up last March.

Furthermore, all of us sitting around the table listening to General Dayton and his team were perplexed because of their absolute frustration with the way the media has interpreted what Dr. Kay said and the circumstances around Dr. Kay's departure. I, for one, wasn't aware that there was some frustration between Dr. Kay and the team because Dr. Kay wanted all the assets in one area, where that team had other responsibilities related to antiterrorism; and I wasn't aware that he hadn't even been in the theater for the previous several months. So, therefore, Mr. Secretary, I don't think the American people, and I don't think Members of Congress, have been given, as Paul Harvey said, the other side of the story.

So, Mr. Secretary, I would ask you, would you allow the real leader of the Iraq Survey Group, General Keith Dayton, to travel back to the U.S. as the existing commander of the Iraq survey team to answer questions before this Congress as to the ongoing efforts to uncover weapons of mass destruction, to explain to us as he did over in Iraq about the efforts of going through the Iraq's lakes and rivers, which is just now beginning, to follow up leads of where we think deposits may have been placed, to focus on the millions of pages of yet unread and unanalyzed data that would give us better access to where this material—

You would think by reading the media—and some of Dr. Kay's comments were very credible, and I am not taking away his credibility. But you would think with the distortion of the media and the way this thing has been polarized by some people in this country with other purposes, perhaps, that perhaps Dr. Kay has said it is all over, we lost, it is time to clear up. That was not what we heard. That was not what the five members of this committee heard the leader in charge of the Iraq Survey Group, General Keith Dayton, say to us in a meeting with all of his subordinates. In fact, we heard his frustration, we felt his frustration.

I think it is time the American people and the Congress listen to what General Dayton has to say; and I would ask you again, will you support allowing the Congress, in this case the House of Representatives, to present, as Paul Harvey said many times, the other side of the story?

Thank you.

Secretary RUMSFELD. Congressman Weldon, first, I agree with you on the importance of fused data centers and bringing intelligence together.

Second, I agree with you fully on the need for Arabic linguists. It is something that they are not created in five minutes, unfortunately; and we have got a major effort going on that. One of the difficulties is the question of clearances. You can get a great many people who can do the work, and the question is, how do you vet them fast. And that is very difficult to do.

Third, I am going to ask Pete Pace to comment on small UAVs in a minute.

With respect to the Iraqi Survey Group, the organizational arrangement is as follows: General Dayton has the administrative responsibility for the entire Iraqi Survey Group. I suggested and George Tenet agreed that the person who made the judgments ought to be someone reporting to George Tenet and the intelligence community about which people ought to be interrogated, in what order, what questions ought to be asked and what pieces of documentation, the millions of pages you point out, ought to be translated first and all of those things. And he, Dr. Kay, had the rudder on that. The emphasis was to be on weapons of mass destruction, with other things, the look for Mr. Speicher, the counterterrorism problems.

As we went along, it was pretty clear that our people were not being killed by weapons of mass destruction. Our people were being killed by terrorists. The counterterrorist role became important, and it was elevated.

I will say this. If you put yourself in their shoes, you have a prisoner or you have potential people who can—nonprisoners who can give you information. If you talk to them and interrogate them, out of their mouth or out of the documentation may come information about weapons of mass destruction. Just as likely would come information where some senior Iraqi people are, Saddam Hussein or their sons or other folks we are looking for. Just as likely might come information about terrorist cells. So these sources could produce information in all of those categories.

But there naturally was a tension. If one were there, assigned there looking for weapons of mass destruction, as Dr. Kay was, he would like all the focus on that.

I certainly have no problem at all with General Dayton coming back and testifying at some point. He is a very talented man. By everyone's report, he seems to have done an excellent job there.

I also fully agree with you that the public impression about Dr. Kay's testimony is quite different than the impression one gets by reading the transcript or watching the tape as I have done.

The CHAIRMAN. I thank the gentleman.

The gentleman from Hawaii, Mr. Abercrombie.

Mr. WELDON. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Hawaii, Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Aloha, Mr. Secretary.

Mr. Secretary, the administration and you have indicated at various times since this attack on Baghdad and the war which followed it—took place that the United States or at least the intention of the administration was that you not leave until—various phrases

were used: The job was done, we wouldn't cut and run, there would be establishment of sovereignty.

Nonetheless, there has been an indication that a date has been set, June 30, for the transfer of power. I guess it could be characterized as some handover of sovereignty, which we are now exercising power. I am unable to see in my very review of this budget or in the accompanying documents that have been provided to us what you are talking about. I can't see anything in this budget that provides for it.

Who are we turning over sovereignty to on June 30? Under what circumstances is this authority to be turned over? What constitutes this authority?

I see no preliminary documents either in that are available for open discussion or in any of the closed briefings that we have had about what constitutes a status of force agreement in terms of how military authority is to be exercised. I have heard some discussion that we can't go into here about what the intentions might be in that regard, but I see nothing that shows in this budget how you are prepared for that.

We need to know, Mr. Secretary, is there going to be a direct election of some kind? Is there going to be a Council takeover? Is there going to be some kind of relationship between the United States military and this new sovereign authority that is supposed to come into existence on June 30? And how are we exactly supposed to budget for that in the absence of any kind of presentation to this committee with regard to what is going to constitute this new institution that is supposed to come into existence on the 30 of June?

Secretary RUMSFELD. Congressman, the issues you raised about governance are important. They tend not to be budget matters as such. You are quite correct. The President has said and others have said, Secretary Powell, that the intention is to stay—the coalition would stay as long as it was needed and not a day longer.

What that means from a security standpoint is that the coalition would stay until that point where security responsibilities could be transferred to the Iraqi people. I would totally disconnect that from sovereignty.

There has been confusion in a lot of people's minds that if you transferred sovereignty on June 30, which is the target date that the Governing Council of Iraq has set, that that means the forces leave; and, of course, that would create an unstable situation. The two are disconnected. The transfer of sovereignty is going to be on a path where governance will transfer. The security situation—the transfer of security responsibilities will be incremental, it will be over time, and it undoubtedly would extend past the time that sovereignty passed.

Mr. ABERCROMBIE. Excuse me, Mr. Secretary. If that is the case and they are disconnected, does that mean they are going to run on parallel tracks, that the security decisions will be made by the United States and its ally, apparently Great Britain and its associates there in this coalition? You are going to have a separate security arrangement and decision-making take place parallel with an Iraqi government that is exercising sovereignty in some other aspect?

Secretary RUMSFELD. Congressman, just to maybe provide a word picture, think of Afghanistan. Afghanistan, we have a situation where a transitional government was put in place. They had a loya jurga. They have elected Mr. Karzai. He has a government. We still have security responsibilities in Afghanistan—the coalition.

The 34 countries that are in Iraq will undoubtedly have security responsibilities, and some sort of an arrangement will be made with the transitional government and, ultimately, the sovereign government as to how that will work, just as those kinds of arrangements were made in Afghanistan. And it is something that can work quite smoothly.

Mr. ABERCROMBIE. It can? You really believe that? How is this going to work smoothly if, by your own definition, that it is going to be disconnected from this sovereignty?

Secretary RUMSFELD. Do you consider the situation in Afghanistan disconnected? I don't quite know what you mean by the word.

Mr. ABERCROMBIE. You brought up Afghanistan. If you want to go into Afghanistan, we can go into that, too. It is working beautifully there. They are producing more drugs now than they ever did before. So we can talk all kinds of things that are connected with disconnection between exercise of sovereignty and security issues.

If you are saying to us that we have to now provide a budget for you, which is what this hearing is all about, we have to have some idea of what is going to be expected of our troops in terms of provision of security in an arrangement of sovereignty, which is unknown to us at this point.

The CHAIRMAN. Let me advise my colleague we have a lot of folks that want to ask questions, and the time has run out. But Mr. Secretary, why don't you answer that one, and we will go to the gentleman from New Jersey.

Mr. ABERCROMBIE. I am perfectly willing to have the answer come in written form. I don't think the answer could be summarized in one or two minutes. I am trying to take what time I do have to indicate that a presentation of the logistics of a budget, absent understanding what the arrangements are going to be for this handover of sovereignty, is going to leave this committee in a very poor position to be able to adequately budget.

The CHAIRMAN. The budget document is not supposed to reflect the policy of the handoff in Iraq. That obviously is of interest to the members of the committee; and if the gentleman wants to get additional information, we will ask the Secretary to provide it.

I thank the gentleman for his question.

The gentleman from New Jersey.

Mr. SAXTON. Thank you, Mr. Chairman.

Mr. Secretary, of the many important tasks that lay ahead of us, one of the most important is to figure out how we can get more capability to meet the current threat out of our force structure; and your analogy of the rain barrel, I think, is a good one. To the extent that we can work together to figure out how to change the force structure—which, incidentally, as we all probably recognize, was developed during World War II to meet a much different threat than we face today. So I am interested in your views on two as-

pects of the many issues involved in the transformation of the Army.

First, in some of our conversations, you and your colleagues have spoken of a new divisional organization involving brigade restructuring. Could you talk a little bit about that and, in particular, please explain how the command structure will change if, in fact, it will. I suspect that will be one of the issues of some interest to many.

Second, what personnel policies are you looking to change? Is the criteria, for example, used in the promotion system as it relates to general officers among changes that are being considered?

Those are my two questions, Mr. Secretary.

Secretary RUMSFELD. General Pace, do you want to respond?

General PACE. Right now, your United States Army has ten divisions. At the division level they have things like Military Police (MP), artillery and the like. At the brigade level, they have basically infantry; and each of the current brigades is 3,000 soldiers or give and take some. There are 3 infantry brigades per each of those 10 divisions for 30 brigades, plus three brigades that currently exist as independent brigades.

What General Schoomaker has proposed over the next 4 years is to add 1 more brigade to each of those divisions—infantry brigade—and to take from the overhead structure those pieces of artillery, engineers, military police and the like and break that up into fourths and give each of the subordinate brigades now a more robust capability so each brigade would have somewhere around 4,000 to 4,500 soldiers in it.

Right now, to have one complete unit that can stand alone by itself when deployed you must deploy an entire U.S. Army division. What General Schoomaker is looking to do is to make it now four blocks of individuals inside the division that can each deploy on their own so you have a much more flexible opportunity. He will not change the number of divisions, because he does not need more command and control, but what it gives him is not only flexibility within the division, but lets him take division number ten and take brigades from division number one and plug them into it in a way that allows him to mix and match around the world to respond globally. He will, in fact, increase by at least ten brigades his capacity to fulfill the missions that we are giving him.

Secretary RUMSFELD. David Chu, do you want to respond to the promotion issue?

This is Dr. David Chu, the Under Secretary for Personnel and Readiness.

Dr. CHU. Thank you very much, sir.

We are continuing to look at the same qualities in terms of promotion we have classically in the past. I think there is a renewed emphasis on innovation as being a significant element of what one looks for in an officer's record for advancement to the most senior positions in the Department. We are, at the Secretary's direction, moving toward trying to stabilize flight officers longer in their posts, particularly those posts where such tenure has been demonstrated to have a high payoff, and to invite senior officers, just as the President invited General Jones, to serve in more than one senior post during the course of their career.

We do have some legislative changes that we think would enhance our ability to do that in front of the Congress, which we are eager to do that as the session proceeds.

The CHAIRMAN. I thank the gentleman.

The gentleman from Massachusetts, Mr. Meehan.

Mr. MEEHAN. Thank you, Mr. Chairman; and thank you to the witnesses for testifying.

Secretary Rumsfeld, you mentioned in your opening statement that BRAC—and you know that many of us are focused on the base closure process, especially since we have reached the deadline for comments on the draft criteria issued by the Department. When you announced plans to go forward with the base closure round, you said the process would serve the goals of transformation and jointness. In fact, you wrote in a member to the senior military leadership in 2002, quote, “a primary objection of BRAC in 2005, in addition to realigning our bases structure to meet our post-Cold War force structure, is to examine and implement opportunities for greater joint activity.”

I must say when I read the draft criteria for BRAC 2005 that came out in December, I thought that I just have easily could have been reading the criteria that was used in 1995 and all of the previous rounds. The concept of jointness receives a passing reference, but transformation appears nowhere in the criteria, and the criteria continues to emphasize factors, the availability of training ranges, and it seems to have little applicability to research and development facilities.

How can the draft criteria be expected to evaluate the contribution of a facility to transformation of the military in general or to the command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) in particular? And wouldn't you agree the criteria used to assess a base that hosts an Army and infantry unit, for example, should be different than the criteria for a research and development (R&D) center?

Secretary RUMSFELD. Certainly there is no question but that there are going to be different requirements depending on the activity. Training area, for example, is notably different from an R&D structure and so, too, an armor division. None of the criteria, I suspect, would apply in every single instance.

What they are designed to do, as I understand it, and part of this is from a law in Congress, is to create a tick list that people would think about as they were going through this process.

One of the things that I assure you will be involved will be the issues of jointness, that the—take training areas, for example. It is critically important that we train the forces that have to fight; and to the extent they train in a service-centric way, as opposed to a joint training activity, they are going to end up not having the kinds of skills in fighting jointly that they need and will be required in this century.

Mr. MEEHAN. The point I am making, Mr. Secretary, when looking at the process, the criteria appears to be the same as used in 1995 and prior BRAC processes; and I am concerned that if the selection process fails to consider these crucial factors that it may severely damage the defense technological base that we have worked so hard to build.

I want to discuss the Department's chemical and biological defense program, which I have jurisdiction over as the ranking member of the terrorism subcommittee. I think the fact that you are not able to appear before your Senate hearing because of a ricin letter sent to Senator Frist is a reminder that the chemical and biological threats are growing not only for the American public, but even more so for our troops in the field. For that reason I was very concerned to read the recent report of the Institute of Medicine of the National Research Council about the Defense Department's chemical and biological defense programs, and it doesn't mince words.

Quote, "The committee sees dismal prospects for successful results from the current efforts by DOD's chemical and biological defense program to produce medical biodefense countermeasures. This task has not been given sufficient priority by DOD to produce the intended results. Furthermore, the disjointed and ineffective management and inadequate funding of current efforts are clear indications that the DOD leaders lack an adequate grasp of the commitment, time and scientific expertise, organizational structure and financial resources required for success in developing vaccines and other pharmaceutical products." End quote.

Mr. Secretary, considering your background in the pharmaceutical industry, I know that you are aware of how much time and effort and resources must go into the successful development and production of biodefense countermeasures. What are your thoughts on the Institute's conclusion?

And I must say, as I read this report, I was concerned because, you notice in the defense budget, it appears that R&D funds for chemical and biological defense programs are being cut this year by 20 percent from last year, from \$560 million this year, which is down from \$706 million in fiscal 2004. How are we going to improve this program to ensure our servicemen and women will be provided the protection they need from these dangerous threats with this 20 percent cut?

Secretary RUMSFELD. Congressman, I was given a note telling me that the criteria on BRAC that you are referring to comes to me next week from my review prior to submission to Congress. Apparently, you were looking at a draft before I ever saw it.

Dr. Zakheim has passed me a piece of paper that shows the proposals for funding for chemical, biological defense programs. The table of allowance (TOA) dollars actually declined slightly. The outlay dollars are scheduled to go up each year.

So I wouldn't—I am not sure, I haven't got the calculator out, but I doubt your characterization of what I thought you said, a 30 percent cut—20 percent cut—I think in outlays it is going to be going up for research, development, testing and evaluation (RDT&E), if I can find it, between 2004 and 2005—you are quite right. It is going down.

Mr. MEEHAN. It is down by 20 percent; and in lieu of the report from the Institute of Medicine of the National Research Council, I wonder if you could comment on that.

Secretary RUMSFELD. I am told that that report is in Dr. Wolfowitz's office for review at the present time.

Mr. MEEHAN. If I could get some kind of a response on that, that would be helpful.

[The information referred to can be found in the Appendix beginning on page 144.]

The CHAIRMAN. Thank the gentleman.

The gentleman from Texas, Mr. Thornberry.

Mr. THORNBERRY. Thank you Mr. Chairman.

Mr. Secretary, as I listen to you describe the difficulties in intelligence collection a few minutes ago, I am reminded of the analysis that you give us sometimes that there are things you know which are correct, there are things you know which prove to be incorrect, things you know you don't know, and things you don't know you don't know.

I understand that these things are not final, but you could surmise from newspaper articles at least over the past couple of weeks that what we thought we knew in Iraq was wrong—partly, at least—and there was a lot with regard to Libya and the nuclear black market that we didn't know we didn't know or at least maybe we underestimated, all of which, whether those exact things prove to be true or not, all of which seems to confirm to me the importance of having a flexible, adaptable military that can respond to changing circumstances, which seems to me goes to the heart of what transformation is or should be about, although that label gets slapped on all sorts of things these days.

As you said, intelligence will never be perfect, but how satisfied are you at the progress we are making towards a flexible, adaptable military that can move quickly to deal with the things we didn't know; we didn't know that all of a sudden spring up and in an age when weapons of mass destruction can have catastrophic consequences?

Secretary RUMSFELD. First, Congressman, I am sure that everything that is going to become knowable—that is known about Libya, that there will be something that we did not know about their program. On the other hand, when that is written, it will be seen that we knew a whole of a lot and it was a success story for the intelligence community, not a failure on Libya.

Second, I agree with you completely that the—given the world we live in and the uncertainties that exist, the task is to have an adaptable, agile, lethal, highly capable military that is oriented not simply to fighting big armies and navies and air forces, which is an unlikely prospect in my view for the period immediately ahead, but also capable of dealing with these 21st century threats that we are talking about—the terrorism, cyberattacks, the nanotechnologies that we see being developed today. These are the things that we are going to have to be able to cope with.

How satisfied am I? I am almost never satisfied. I am impatient and have a sense of urgency about getting this done. Meeting after meeting in the Department, I worry that we need to find ways to get multiple leadership centers and more energy put into the change and the transformation. We need more people who are bold and willing to take risks, and we are getting them. I must say, I feel that the things that have been accomplished in the last three years in this Department are truly remarkable. The things that have been started and finished and the initiatives that have been started and are still under way and that we have a team in the institution that is as good as I have ever seen in my career.

Mr. THORNBERRY. Let me follow up, because I think the people are the key element, and Mr. Saxton asked about specific Army issues. But last year you were before this committee asking for greater flexibility dealing with civilians, which we gave you in a watered down form, and greater flexibility to deal with military personnel issues, things like mandatory retirement age, two-year rotations beyond just general officers, up and out promotion policies, things that add demands to our personnel system and require us to have more people just because of all this turning going on.

Are you coming back to us again this year asking for greater flexibilities of the sort—for example, that Admiral Clark testified about last year that were essential for him to be able to deal with the Navy? Are those requests back before us that we did not deal with them last year?

Secretary RUMSFELD. There will be some. There are a package of legislative initiatives we plan to propose in the immediate future that will be before the committee. Some involve personnel, as I recall, Dr. Chu?

Dr. CHU. Yes, sir, that is correct.

Secretary RUMSFELD. And I think there are some in the training area, as the Chief of Naval Operations—and then there are some other things. For example—well, I won't get into the details, but we will be up with a proposal.

The CHAIRMAN. Thank the gentleman.

Another gentleman from Texas, Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman; and welcome, gentlemen. I would like to also thank you for being here and echo the sentiments of my colleagues here about the great job that our men and women in uniform are doing under very tough circumstances; and, in that vein, I have a couple of questions that I would like for you to comment on.

The first one deals with—during the recent break in the district, I had the parent of a young man in the Air Force that asked me if we were substituting Air Force units for Army units. His son was in a transportation company, and apparently they had been put on notice that they were going to go either to Kuwait or Iraq. He wasn't sure which one, and maybe for a good reason. But they were told that they were actually going to be in the transportation—doing the transportation and substituting for an Army unit. Is that taking place and how much of that are you having to do?

Secretary RUMSFELD. Yes, sir, it is taking place; and how much of it is not enough of it, in my view. We need more of it. We have had Army providing force protection for Air Force bases. We have been reaching into the Air Force and having them provide drivers when we have a shortage of drivers. To the extent we can use active forces, we use them first; and to the extent we can then use guard and reserve who have not been called up recently, we tend to use them. We sequence it in that way.

But we are trying to find ways that the services are less service-centric, more joint, more cross training, more cross education, so that, in fact, we can use those forces in ways that make the most sense, rather than having each service have things sitting on the shelf that they are not using when someone else is being overused in a different service.

Mr. REYES. Under those circumstances—and you can understand the concern of spouses and parents that if they are in a transportation unit and they are going to be transporting equipment, material, things on the highways of Iraq and subject to attack, will they be trained? Will they be equipped? Will they be prepared?

I ask that question because in this committee, before going into the war in Iraq, we asked those questions over and over again, both for regular military and for the reserves and National Guard units, only to find out months later that not everybody had the proper vest, armored vest, that all the Humvees were not properly protected and armored as we had been led to believe on the committee.

So my question is if that kind of tradeoff is going on inter-service—and I agree with you because, like you, it makes sense to use them interoperably. They have to be prepared and trained. They have to be equipped. So can you assure us that is, in fact, taking place before anyone goes into Iraq under those circumstances where they normally would not be doing and carrying out those kinds of duties?

Secretary RUMSFELD. General Pace.

General PACE. You are right. Every soldier, sailor, airman, Marine, Coast Guardsman who goes into theater should be and will be properly trained. We have been able to identify the units that will be taking place in this rotation. We have been able to identify the area to which they will be going. We have been able to identify the missions they will be on, whether they be reserve or they might be doing something a little bit unusual for the Air Force unit. Every one of those units will get the training they need.

With regard to the small arms protective inserts for the flak jackets, as you know, when the war began, the industry was producing about 1,600 sets of that special body protective armor per month. Thanks to Congress's supplemental appropriations and the money that was made available to us, we have been able to ramp that up. We are producing 25,000 sets per month. As of January this year, just last month, we have in theater one full protective set of body armor for each serviceman, woman and DOD civilian in theater; and as the forces rotate in, when they go through Kuwait or Turkey, as they go into theater, they will be issued this protective gear. So everything we can think of that an individual soldier, sailor, airman, Marine needs to operate efficiently, effectively, we are training them, too, and we are equipping them, too.

You mentioned the up-armored Humvees. There were about 500 of those in theater about this time last year—maybe 8 months ago. Now, thanks to redistribution and some new build, we have just shy of 2,000 there. The industry was able to build about 138 per month. Again, thanks to supplemental funding, the industry is able to build 220 per month, and they will be able to build that many for the rest of this year.

On those armor—on the lightly skinned Humvees that may look pretty big and awesome out here on I-95, on the battlefield they are relatively thin-skinned compared to tanks and other armored vehicles. We have, in fact, bought the applique armor that you can strap on.

So everything we are able to see and all the lessons we have learned we are applying as fast as we can to the units that are going in.

Mr. REYES. Mr. Chairman, I have other things. Can I submit questions for the record?

The CHAIRMAN. Without objection. You can submit as many written questions as you want.

The CHAIRMAN. The gentleman from North Carolina, Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman; and welcome, Mr. Secretary, General Pace.

I, too, was in Iraq very recently with Mr. Skelton and Ms. Pelosi. The things we saw in terms of performance and morale of our troops was absolutely unparalleled anywhere, and we appreciate the support that they get.

The budget indicates that 20,700 DOD positions currently filled by uniform personnel will be converted into civilian positions. How will these conversions affect the services and do you expect the temporary increase in end strength as a result of this? I guess substitution is the right word. Sounds like a good idea.

Secretary RUMSFELD. Thank you.

Let me just separate the word end strength, which I think of as a statutory number that we have to be at the beginning of the year and the end of the year, and instead use the word force level. The answer to your question is, yes, that would increase the number of military people available for military jobs. So the force goes up numerically of people available for military jobs, because we have taken them out of civilian jobs. It is a good thing, and we are working on it.

Dr. Zakheim can give you an example. He just transferred a number of people out of a couple of entities and has been replacing them not one for one with civilians, but something considerably less than one for one, and the Air Force that they went back to now has them available to be reassigned and to function and perform military tasks.

Secretary ZAKHEIM. The Finance and Accounting Service is under my office, and we have had several hundred—quite a few hundred people in uniform working essentially as finance types. I worked out with the Secretary of the Air Force and transferred about 300 of those folks back to the Air Force using the new national security personnel system that the Congress allowed us to begin with this year.

We are going to hire back, but not on a one-to-one basis. As the Secretary says, new people who will come in more quickly because now we can actually hire them and offer them jobs quickly. At the same time, the Air Force gets people who will either be quickly retrained or eventually recycled to do what they should be doing.

There is a similar transfer that is taking place in the Army. Again, a couple of hundred people. Many are retraining at Fort Leavenworth, military police duties, which we are very short of. So there is a model there.

We are talking about 10,700 new slots in fiscal year 2005 on top of 10,000 this year. So this is a program that is already under way and is working.

Mr. HAYES. Thank you, sir.

While I certainly don't believe everything that I read, there are continuing reports of the changing nature of U.S. global footprints, especially in Europe and Asia. The report plans to cut the troops by one-third in Europe. In visiting and talking with many of the host nations where U.S. troops are currently living, to the extent you can discuss it in open meeting, what is the status of these discussions and to what degree are these discussions included in the budget? If they are not included, do you expect changes to come in 2006, especially as it pertains to military construction (MILCON)?

Secretary RUMSFELD. Congressman, the progress on refashioning and rethinking our global footprint is well along. It is not firm, but it is well along, and we have begun the process of consulting with the Congress and begun the process of consulting with our friends and allies around the world.

We are going to be bringing back to the United States a number of troops that have been stationed overseas for decades. The number you cited from the press I would not want to sign up to. There is so much discussion to take place.

Third, the MILCON issue is the toughest because it will probably play out over three, four, five, six years; and it depends how much it will cost and how we get things in the queue. So it is not something that will happen fast. It is something we will get resolution and conviction with the Congress. We will get resolution and conviction with the countries that are going to be affected and we will put in place a process so it will play out over a period of years.

Mr. HAYES. While in the field and several different locations, there was discussion of perhaps locating a repair and rework facility nearer the theater so we wouldn't have to ship this equipment back, which would have timing and financial implications. Has that been discussed?

Secretary RUMSFELD. It has been discussed. One of the thoughts, particularly with preposition stocks, one might do that, but it is—I don't know the details. It would be the Army, essentially, and the Marines.

Mr. HAYES. Thank you.

The CHAIRMAN. Thank the gentleman.

The gentleman from Arkansas, Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chair.

Mr. Secretary, it is good to see you again and particularly good to see you today after your starring role in Doonesbury on Sunday. Your fame has gone up.

Secretary RUMSFELD. I didn't see it. I am worried.

Dr. SNYDER. I am sorry I brought it up then.

Mr. Secretary, in your written statement, as you have many times talked about before, having the tools for fighting the wars of the future, which can be over the next several decades. One of the concerns I have with the budget, and it is not just the DOD budget, but throughout other aspects of the budget, is inadequate funding and decreases in funding for research.

This morning at the Veterans Administration, VA, hearing on the budget with Secretary Principi, they cut \$50 million out of their medical research. They are hoping to get that money from National Institute of Health (NIH). But the NIH budget went up only 2.6 percent, which is not keeping pace with medical inflation at all;

and I suspect NIH is not going to find \$50 million to give to the VA.

The DOD budget, Mr. Secretary—I will let—I thought maybe he was giving you a copy of Doonesbury. But in the budget, the part that concerns me is not the applied research, but the basic research. Basic research in the DOD budget goes down four percent—four percent. For the science and technology component, it goes down to 11 percent. This is the most basic stuff. This is fighting wars 20, 30 years from now. If we keep doing this, we will not maintain that technological edge, and we don't know what that edge is going to be in the future. So I would really ask you all to revisit that. If the Administration doesn't want to reassess that, it is going to be difficult for the Congress to do it.

The second issue I wanted to ask you about is this whole issue of end strength, and I think you did a good job today of describing to us and the American people the difference between force levels and end strength. I think there has been some confusion with some of the public discussions on that issue.

You have laid out and General Schoomaker has laid out and has discussed this issue of what you are trying to do and how this ties in with transformation, these temporary increases and all that. I think there is a credibility problem on this, and I would just encourage you all—I think we can avoid big fights on this if this were part of the regular budget, but by making it part of the supplemental and making these personnel changes out of the supplemental, not part of the regular budget process, what we are doing is essentially shifting a significant part of transformation out of the regular budget discussion. Now if I was in your shoes, I would say, yeah, I would be willing to do that, but I don't want you to take the funding out of personnel changes out of other stuff that we need.

I think that is a discussion we ought to have. If this is part of the supplemental and funded by the supplemental, I think it is a poor way to do business over both the short and long-run. Do you understand my point?

Secretary RUMSFELD. I see your point.

First, let me say I agree with you that research and basic research are critically important.

Dr. Zakheim, do you want to make a quick comment?

Secretary ZAKHEIM. Compare our requests last year. We are up in both basic and applied research, and there is real growth in the entire science and technology budget.

Secretary RUMSFELD. With respect to the issue of whether it is funded in the normal budget or in a supplemental, the advantage of doing it in a normal budget is obvious, but we can achieve that same value by having a hearing here on the subject, I think.

The advantage of the supplemental, it seems to me that the people who say what ought to go into a supplemental include reconstitution of the force. And what is involved here, as you know from General Schoomaker, he is trying to do three things at once. He is trying to shift the organization of the force. He is trying to shift the nature of the force from a—to a more troop detail—better troop detail ratio, going from 33 to 43 to 48 brigades and how they are

organized; and he is using the fact of reconstitution as he brings people home to achieve that.

It is a natural portion of a reconstitution supplemental budget. It is also something that is important substantively because of what is going on internally. So it is half of one and half of the other. And I—everyone was consulted and came to it in Office of Management and Budget (OMB) and at the Department and came to the conclusion that the money is already in this year's tranche.

Secretary ZAKHEIM. The money is available in the supplemental, the 2004 supplemental, to do this.

Secretary RUMSFELD. That has already passed.

Secretary ZAKHEIM. Once we understand the parameters of the 2005 supplemental, there is a sense that will be able to be accommodated, as well. We are still working on the specific numbers.

Dr. SNYDER. Just a final comment. I understand what you said about General Schoomaker doing all these things at once, but those are crucial things in the history of this country in the future of fighting wars. You are doing it outside the normal budget process, and I don't think it is the way to do business in the long-run. I appreciate it.

Secretary RUMSFELD. I would be delighted to have a totally separate hearing on this. Because you are exactly right, this is enormously important, what the Army is going to be doing over the next 4 years; and I think it is important to engage it substantively quite apart from its dollar implications.

The CHAIRMAN. Let me remind Dr. Snyder we do have an initial briefing on this from the Army next Thursday at two o'clock.

The gentleman from Connecticut, Mr. Simmons.

Mr. SIMMONS. Thank you, Mr. Chairman; and I thank the Secretary for his testimony.

I note in particular his reference on page one to the service and sacrifice of our men and women in uniform and the sacrifice of their families who also serve. I think, since the Secretary has served in the reserves, I think he understands, as many of us do, the important role of the families who also serve; and that goes to two of the points that I would like to make and the question I would like to ask.

There was previous reference to the up-armor Humvees. There are approximately 11,000 Humvees in theater in Iraq today. Two thousand are up armor, and the kits that are being sent over there are not going to complete the process, I am told, until sometime towards the end of this year. So those reserve forces and those guard forces that have been over there for a year will be rotating back before that process is complete; and, in fact, those other guard and reserve forces going over will not be equipped in time.

The thing that bothers me, Mr. Secretary, is that last fall, when you very generously took my memo of recommendations based on my trip, all of the points that I raised were answered and solved in an expeditious manner. But when a top priority was placed on the up-armor Humvees issue, I don't think it was implemented as fast as it could be.

I am told there are over 59 vendors who are testing kits up at Aberdeen. Only one has been approved. And the families—the families are worried to death that their son or their daughter is going

to get caught in an improvised explosive device (IED). It is mostly the guard and reserves that have them, and somebody is going to die because the door of the Jeep or door to the Humvee is no better than my CJ-7.

So I simply say it is an issue that I am pursuing, and I will continue to pursue, and I think it is really important. That is a huge morale factor, and that is an area where we have to be diligent in how we adjust to the combat situation.

Secretary RUMSFELD. Could I have General Pace respond to that?

General PACE. I won't repeat the numbers I have already spoken about, but I want to disabuse anyone of the notion that one type of unit, whether it be guard or reserves or whatever, is going to have preference. All the up-armored Humvees that are there now, the strap armor is going to remain in theater. As the Marines come in, as the guard and reserves come in, the commanders on the ground will allocate the resources to those units that are in greatest need of it. It will not be based on what flavor unit you come from.

Mr. SIMMONS. I appreciate that. The only reason I mention the differentiation between guard and reserve is, for example, the Connecticut National Guard has not a single up-armored Humvee in their inventory, even though they have several thousands people in country, to include military police (MP), who are essentially on the front line. So it gives an appearance, and it is a serious issue, and I appreciate you addressing it.

In looking at the data on the reserves, I note that, on page 7, 56, 51 and 48 percent of civil affairs, military police and intelligence officers have been deployed. Those are substantial numbers. When you look at civil affairs and military intelligence (MI), in particular, these people come from academic backgrounds and business backgrounds in my unit—we had bank vice-presidents and people holding fairly substantial positions in their community. What happens is that people in this skill set are going to be deployed more than once; and even though they are patriotic and dedicated, their employers are going to say, you know, we can't afford to have them doing this. So the employers are going to limit their advancement within their job and this pressures them to get out, which is why rebalancing the force in this area is so critically important.

My question is, I know we are rebalancing. Are we focusing enough so we can expand this group with quality people so that we can anticipate that some of those quality people who have already been deployed in this mission occupational specialty (MOS) are going to leave us not because they are not patriotic, but because it is degrading their success in their civilian lives?

Secretary RUMSFELD. You are absolutely right, and that is exactly what we are doing. We are rebalancing within the reserve and guard, so there will be more of those skills in short supply, but we are also rebalancing with the active force and the guard and reserve so there will be more on the active force and we will not have to call those people up as frequently. And they are doing a spectacular job.

The CHAIRMAN. Thank the gentleman.

The gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman, and thank you, gentlemen, for coming before us and in particular Mr. Secretary, first of all, for serving in this position, because it is not an easy thing to do.

Also want to tell you that, from my particular standpoint, you have an ally with respect to some of the transformation things you have been trying to do, even though there are a lot of people on this committee who really haven't appreciated that, as well as the base realignment and closure (BRAC) process, which I also believe is a necessity for our departments to move forward.

On the other hand, you probably already know that I am not a very big fan of yours, in particular with respect to this war on Iraq and really the way this administration got us into it and the way it has handled it.

I think one of the reasons why we are still in this ball game is because we do have great young men and women out there on the ground in Iraq just doing a great and super job. I have had a chance to meet them in theater and really all over, and they really are a credit to the United States.

I wasn't going to say anything about WMD because I have not been one of those people who has been harping on that stuff, but since you have brought it up and since nobody has mentioned it back to you, I just want to—it would be remiss of me to allow you to spend WMD now, from the administration standpoint, without saying, you know, the doctrine of preemptive war that the President and you all used to invade Iraq in March really depended on an accurate assessment of the Nation's real and imminent threat from—for our security interests. And of course we now know that there was no nuclear capability and there is no WMD.

So I think, in particular, we need to remember that when we remember some of the words that the President and you all used 500 times—sarin and mustard gas comes to mind during the State of the Union address. I think we need to think about that. The American people need to understand that.

Because there seems to be a pattern, from my standpoint, of you all leading us down a path on information that is either made up or exaggerated or pulled from God knows where or connect the dots with really no correlation going on. I say all of that because now we have got this budget, and that is what we are talking about today, and we have this whole issue of end strength.

Thanks for delineating what you think end strength is and your search of 30,000 Army personnel, but I know that my good colleague here, Mrs. Tauscher, is going to talk more about this. You know, she has this bill to increase end strength; and, as she knows, I haven't signed on that. I am a fiscal conservative. I am a strategist by training and economist by training, and I am not sure that we need to increase end strength for the long-run.

But I am sure of something now. We are going to be in Iraq a lot longer than you thought, than the President thought, than a lot of people on this committee thought. So we really need to give and think about what we need as far as our services go.

It is a little disconcerting, going back to Mr. Snyder, that this budget does not reflect what is really going on in the sense that you have not put in moneys for Iraq and Afghanistan. It is dis-

concerting because it doesn't give the real picture of what is going on.

You can't really have it both ways, in my opinion. I mean, you can't really say, oh, don't worry, it is going to be a walk in the park for us to go to Iraq and all these guys running around shooting their guns at us. They are just disgruntled criminals that Saddam let out the day before the war started.

No, no, we don't have a guerrilla war on our hands. You know this is a pattern. It comes from you. It comes from Wolfowitz. It comes from some of your generals. When generals say the right thing, like Shinseki, they are told that is wildly off the mark.

So the question is, talk to us about end strength. Tell me how is it that you are not putting the funds for these 30,000 people in the budget, but it is coming out of the Iraqi supplement? If it is going to be for four, five years—and why are you—I mean, because if you put it in the terms that you said about total force, that is under emergency circumstances.

Why aren't you coming to us and putting your cards on the table? We don't have to put it to our enemies or do it in open session, but we need to have a good idea of what we really need and how we finance this. And America deserves to know how long, how much? Is it so unstable and so unpredictable that you can't give it to us or is it because you are afraid to give it to us before November because there is an election happening?

The CHAIRMAN. Let me remind the gentlelady that she has used all the time in her question, and we have quite a few members who want to ask questions. We are going to have votes in about 15 minutes.

Ms. SANCHEZ. It is an important issue for me and to all of us.

The CHAIRMAN. Are you ready for the Secretary to answer?

Ms. SANCHEZ. Yes.

Secretary RUMSFELD. You are kidding?

Ms. SANCHEZ. Do you need more elaboration, Mr. Secretary?

Secretary RUMSFELD. Hardly.

I will repeat what I said earlier. The wars are generally funded in supplementals.

Second, we tried to fund the Afghan war in the budget and were refused by the Congress. They zeroed it out. The budget is developed from January of 2003 to November of 2003. It is submitted to OMB and then to the Congress in January of 2004 to begin in October of 2004 and go 'till September of 2005.

That is a very long period. I am not going to add up the months, but it is anywhere from a year-and-a-half to two-and-a-half years eventually, from the beginning of the process to the end of it. That is the reason that they have tended to come to the Congress and say, here is what we know, and ask for the funds and then say, when we know precisely what we will need for the rest—for that year, we will come in with a supplemental and tell you precisely what it is.

The implication that someone is trying to hide something is plain false. We came in and we tried to do it and the Congress said, don't do it because you don't have enough clarity, you don't have enough granularity on how that money is going to be spent. Therefore, we

are not going to give it to you, and we are accusing you of trying to get a blank check.

So you can't win with that kind of an argument. You can't have it both ways in life.

Ms. SANCHEZ. Mr. Chairman, I assume I don't have any rebuttal time left?

The CHAIRMAN. I would recommend an exchange of letters.

Secretary RUMSFELD. Maybe lunch would be better.

The CHAIRMAN. I thank the gentlelady from California.

I would remind all members of the committee, too, one thing we did before the Congress voted on the use of force in Iraq is to host classified hearings with our intelligence representatives. Any questions that people wanted to ask, they were able to ask. They had full access, and I believe every single Member of the Congress got a personal invitation from me to come to those hearings so they would make an informed vote on the decision to use force in Iraq. And I know the gentlelady got an invitation.

Ms. SANCHEZ. I went to them, Mr. Chairman; and that is why I voted no.

The CHAIRMAN. That opportunity was given to every single Member of Congress, and there was no Administration officials there attempting to categorize the information one way or another. I would—

I yield to the gentleman from Virginia, Mr. Schrock.

Mr. SCHROCK. Frankly, I don't know how I top that, but I am not even sure I am going to try.

Secretary Rumsfeld and Dr. Zakheim and Dr. Chu and General Pace, thank you for being here and enduring us for two times today. I am aware of balancing the many competing priorities placed on your Department combined with rapidly changing challenges and commitments is quite a task, and I thank you for your dedication and service to all of us.

As you may imagine, I try very hard to closely monitor the course of events in Iraq and the debates surrounding the choices we have made and must make in prosecuting the global war on terror. As your statement outlines, Mr. Secretary, we have had a very successful year, and I am confident we will continue to succeed.

My greatest single concern is the viability of the total force concept and the weaknesses that have been brought to light in the past two years. We have come to rely heavily on the reserve component to complement active duty forces to enable reasonable force rotations and allow us to meet other global commitments.

We are both aware of the large role that the reserve components have played since September 11, 2001. In certain skill areas their operational tempos have been very high, and they have performed magnificently.

As you noted in your testimony, there is a need to balance the reserve and active forces to ensure that they have the proper mix of capabilities in both services. The continuum of service concept you outline in your testimony which will create a bridge between the active and reserve components is an excellent proposal.

Along those lines, I believe serious questions have presented themselves regarding suitability of the structure presently in place to allow us to quickly and seamlessly integrate the reserve and ac-

tive duty components. I am concerned that it is being overwhelmed by the events of the past two years and that this infrastructure, as designed, may never be up to the task of meeting such a high operational tempo.

I am concerned that we are not making the investment of that infrastructure to preclude a great expense and hardship in future years. When I use the word "infrastructure" I refer not just to the equipment and training structures but also to the pay systems and personnel systems that allow the Department of Defense to call up and deploy reservists. The systems themselves and the training level of those operating them are not up to the task.

I understand the situation we find ourselves in is different than any we have seen before, and I understand that asymmetric threats do not always allow for neat plans and careful execution. I submit to you and my colleagues on this committee that we must not use this as an excuse to continually act in a rash and uncareful manner, but as a reason to capitalize on lessons learned, build more flexible systems and train to a higher standard.

The Government Reform Committee, on which I sit, recently held a hearing on pay problems experienced by National Guard soldiers deployed during Operation Enduring Freedom and Operation Iraqi Freedom. The Special Forces unit from the Colorado National Guard deployed in support of Operation Enduring Freedom was included in the several units of study. One hundred percent of the 62 soldiers in that unit experienced pay problems. Some of those soldiers lost their homes as a result of these problems, and many were forced to leave the National Guard and return to Iraq and Afghanistan as civilian contractors to relieve financial hardship.

The report identified dozens of systemic shortcomings that resulted in similar problems in several other units.

The most important thing to note is that many problems are the same as those made following the Gulf War in 1991. DOD witnesses stated that they expect to have this problem fixed in three years when a new integrated personnel system, Defense Integrated Military Human Resources System (DIMHRS)-I am not sure how you pronounce it-comes on line. I consider this time line unacceptable, and continue to be amazed at how poorly DOD performs simple administrative functions, yet can so superbly place ordnance on target.

This is just one example that I choose to highlight that I believe to be a systemic shortcoming in the Defense Department's ability to operationalize the total force concept. There are many others which I do not have time to outline. They include massive equipment and training shortfalls, and the guard and reserve's lack of proper planning for mobilizing and demobilizing forces, and reservists being mobilized whose medical readiness clearly makes them unfit for duty. I consider our ability to integrate the active and reserve forces a critical readiness matter and the basis of the total force concept.

The performance of the pay, personnel, training and readiness evaluation systems that enable this integration is the critical metric with which to measure this capability. I believe that unless we devote serious attention to this in the short term, that it will pre-

vent you from building the bridge between the active and reserve components which you have outlined and we so badly need.

And that being said, Mr. Secretary, my question is whether you feel the budget you have submitted to Congress does everything possible to address the multiple systemic problems of integrating the reserves and the active duty components, and have you done everything to ensure that the total force concept will continue to be a pillar of our military capability?

Secretary RUMSFELD. Well, I would like to have General Pace comment on your comments concerning equipment and Dr. Chu comment on your remarks concerning the personnel system. Thank you.

Dr. CHU. Let me start on that. First of all, I want to express my appreciation for your support on our continuing service proposals, and we indeed look forward to working with you and the committee to secure their enactment. They are very important, and for a strong reserve and guard community and for the Nation as a whole.

On the specific issue of pay, we recognize the pay system for the reserves are inadequate. We inherited at the start of this team's work in 2001 a badly underfunded program. We have put that funding in place to deploy really the largest application of this software anyone has ever attempted. It actually is a rather complex problem to keep all those details straight because of the many different allowances people receive in their specific individual circumstances. We are really going to start pulling the first elements within the next year. The three-year window is the completion of that system. And this committee has been very helpful in sustaining our request for those monies. That really is the long-term attempt, is getting that put together correctly so that people do get paid correctly.

I know Dr. Zakheim and his team has been very energetic in looking into individual problems, although I recognize that that is the Band-Aid approach, and we are trying to get to a systemic solution.

General PACE. If I could, Mr. Schrock, I would like to sit down with you and just have a discussion, because I would like to learn more about the specifics of what you are citing. At the macro level, we believe we are, in fact, trying to spread and balance across the reserve, the guard, and the active force, and to ensure that each has like capability, and that they each are provided for the way all of our servicemembers should be provided for.

Mr. SCHROCK. I would appreciate that. It breaks my heart when I hear some of the stories of young people losing their homes. And that is the case in several instances, and that is not a good thing.

Secretary RUMSFELD. Would you give us the information on several people who have lost their homes? I would like to see precisely, track it back and see what caused that kind of circumstance.

Mr. SCHROCK. Sure. Yes, sir. We will get the testimony from some of those that we heard in that particular Government Reform Committee hearing. I would love to do that.

Secretary RUMSFELD. Terrific. Thank you.

Mr. SCHROCK. Thank you, Mr. Chairman.

The CHAIRMAN. I appreciate the gentleman's question.

And the gentlelady from California, Mrs. Tauscher.

Ms. TAUSCHER. Thank you, Mr. Chairman.

Gentlemen, thank you for being here. And I, too, express my thanks for the service of our countrymen that are deployed around the world and how hard they are working.

General Pace, I saw you at the Super Bowl. I only wish you had been the halftime show. A big improvement.

General PACE. Thank you, ma'am.

Secretary RUMSFELD. I am not sure you should say thank you.

Ms. TAUSCHER. Mr. Secretary, using the term force level against the term end strength isn't as simple as having you say tomato and me saying tomato. There are real net effects for your using the term force level, and I can understand why you don't like the term end strength. End strength would mean that you would have to have congressional authority to do what you want to do, and you would have to do it in the budget. Using force level basically allows you to use emergency powers and to use the supplemental to do what you want to do. And while I support many of the aspects of transformation, and I certainly support flexibility and adaptability, I think if you had chosen to come to us, this committee would have worked with you to have the opportunities to have the force structure and the force level and the end strength through congressional edict with as much flexibility as you wanted.

But I think right now what we are doing is we are ducking the opportunity to make hard choices in the Pentagon budget, because by using the term force level, not end strength, and by using emergency powers, you get to have a separate credit card for the Iraq war that includes coat-tailing many of the things that we need to do and have to do, including transformation and other things, on the Iraq supplemental.

And it is this committee's purview—as a former Member, you know that—we are allies of yours in so many ways. And to effectively have General Schoomaker come here last week and drop a bomb on us that you have, by the way, been doing this, and that you are going to use emergency powers, and not come to us and use the powers of Congress appropriately and have us be partners with you to do this in a way—that forces us to ask some tough questions. You know, do we want to have \$9 billion spent on national missile defense? Had the debate—if we had had debate, I will tell you, you are so persuasive, you might have won. Certainly with the numbers on the other side, I can probably guarantee you would have won.

But now we are not going to really have those debates because of the way you are doing this, and that causes a little cynicism, a little skepticism, and a lot of hard feelings. And my suggestion to you is, Mr. Secretary, that you understand that many of us are committed to the things that you are committed to, and certainly when it comes to our fighting men and women, and certainly when it comes to the ability for us to have the most ready, adaptable, flexible, lethal, light fighting force.

So I just have one simple question: Why are you funding the personnel increase through the supplemental, not in the budget?

Secretary RUMSFELD. Well, the first thing I would say is that, as a former Member of Congress, I would—at least my personal opin-

ion is that the emergency powers, which were debated by Congress and passed by Congress, are congressional authorities. I would say, second, that supplementals, which are debated by Congress and passed by Congress, are congressional authorities. And your comment suggests that we bypass congressional authority. If you don't like being bypassed——

Ms. TAUSCHER. You have bypassed this committee.

Secretary RUMSFELD. That is a matter of how the Congress organized itself. It can organize itself any way it wants. I assume the purpose of—I assume the purpose of passing emergency authorities and passing supplementals is because the Congress in its wisdom made a judgment that that is the way they wanted to do it. If they wanted this committee to review supplementals or to review how—the use of emergency powers, the Congress can do that. It is Article I of the Constitution.

Ms. TAUSCHER. Well, you understand, Mr. Secretary, that we are an authorizing committee, not an appropriating committee.

Secretary RUMSFELD. Of course I do.

Ms. TAUSCHER. And you know that the supplemental comes right around us, basically goes to the appropriations committees on both sides and goes to the floor. And so this committee——

Secretary RUMSFELD. But you said it was avoiding congressional authorizations. Some things don't go through this committee, just like some things don't go through the Appropriations Committee.

Ms. TAUSCHER. But you would have to admit, I would hope, that this is not some minor little triviality. This is a huge thing.

Secretary RUMSFELD. It is a subject that this committee ought to hold hearings on, it ought to talk about it, it ought to bring everybody up and discuss it. We are for that.

Ms. TAUSCHER. But the decision has been made. You have gone off and done it.

Secretary RUMSFELD. We haven't gone off and done it. What we did was over the last two years we have been doing exactly what the congressional authorities asked us to do. Use the emergency—or the minute the President signed that, everyone in Congress knew that we had the ability to go above the 2 percent or 3 percent, whichever it is, flexibility. So we did. And everyone in Congress who wanted to know knew it. There was no surprise.

Ms. TAUSCHER. So then, let me ask you, Mr. Secretary, if this is only a spike, if this, as you have——

Secretary RUMSFELD. Which it may or may not be.

Ms. TAUSCHER. Which it may or may not be. But considering the fact that we can all be wrong, and we have had a bad record recently, isn't it true that it is a good idea to have a hedge on that spike? And why wouldn't we talk about then having that hedge be a temporary increase in end strength for five years?

Secretary RUMSFELD. Why do we need a temporary increase in end strength if you have got the emergency powers and you can increase force levels and move it where you need to during that period?

Ms. TAUSCHER. Because I believe that you need to pay for it in the budget; that you shouldn't have a separate account called the Iraq war in order to facilitate that. And that is effectively what you are going to be doing.

Secretary RUMSFELD. But Congress has decided it wants to fund the Iraq war through a supplemental. I haven't decided that; I prefer to do it the other way.

Ms. TAUSCHER. Well, I think perhaps at the time—I certainly don't recall making that decision, but perhaps somebody did. But I will tell you right now, I think if we ever thought about doing it that way now, I think everyone would say there is nothing—this is not a contingency, and this is not an emergency to the extent that we are not surprised about it. We are nowhere in it. We know we are going to be there for at least three or four more years. Funding it in the supplemental probably now is not the wisest of decisions.

Secretary RUMSFELD. I don't know that we are going to be there three or four more years. You may, but I don't.

Ms. TAUSCHER. Well, once again, I am willing to put a hedge on things if I am not sure, and I am not willing to find out in two years that this spike is actually a series of spikes that becomes a plateau, and we find ourselves in a situation where, oops, it wasn't a spike, and we are now funding personnel changes in supplementals that are harder and harder to pass and where we don't have congressional review through this committee, through the subcommittee on total forces.

Secretary RUMSFELD. As far as I am concerned, you can have as many meetings as you want on any subcommittee. We will send people up here, we will go over it in minute detail, because this is important, this committee is critically important to the Department of Defense. And we are happy to do it.

The CHAIRMAN. Let me remind the gentlelady that we still have a number of Members who need to ask questions, and her time expired some time ago. And I just want to remind her, we do have our first hearing on this with General Schoomaker next Thursday, and we will start to work this issue. And, second, simply remind my colleagues that the proposal by General Schoomaker is to produce essentially out of the same force with an initial bump under the President's emergency power, but essentially out of the same force, an additional ten brigades, ten fighting brigades. That would take us from 33 to 43. So rather than seeing that as a bomb shell, as the gentlelady has described it, I think most of us welcomed it, if we can make this thing work, as a way to multiply force with the same end strength that we possess today.

So I just recommend to my colleagues that they attend this first briefing or first hearing with General Schoomaker and let us see what happens.

Secretary RUMSFELD. Members of the committee, let me take just a second and see if I can put this into context. Let us take it away from people and talk about bombs. You fight a war in Iraq or Afghanistan, and the Congress then says, we want you to replenish your stocks. We want to reconstitute your force.

Now, we have got a choice at that moment. We went into the war thinking we needed 50 percent dumb bombs and 50 percent smart bombs. In the war you find out you are using 90 percent smart bombs and about 10 percent dumb bombs because the smart bombs are so much smarter. Then it comes to the supplemental to reconstitute, just the normal reconstitution, and you decide what do you

want to—which bin do you want to fill up? Do you want to fill them up, the old bins, using the old, quote, “requirements,” or do you want to fill up the bins you now have been informed by the war how you likely would fight? And you would not fight with dumb bombs, so you don’t want to buy the dumb bombs; you want to fill up the precision bomb bins.

The same thing is true with the people. The money is going to get spent for reconstitution on the force. We either are going to rebuild the old force, which General Schoomaker and the Army believe we shouldn’t do, or we are going to rebuild a new force. And the money is going to be spent either way. That is what is going to happen in reconstitution, I think. And David Chu—well, you are not up there anymore. But is that roughly correct?

Dr. CHU. Absolutely, sir. That is correct.

I might also add just a word on this question of emergency powers, if I could. They are, of course, as the Secretary emphasizes, legislation that Congress passed. Indeed, they were revised to make them more usable after the attacks of September 11, 2001, by this committee in the fiscal year 2002 authorization act. And, indeed, as you recall, the committee further loosened even the peacetime limits on end strength in its actions most recently establishing the new two percent and three percent limits.

So the committee has been active in this area. We are using the powers it has granted us. We are eager to have the opportunity to tell the full story of what we would like to do here.

The CHAIRMAN. I expect to see my colleague at that hearing on Thursday.

Ms. TAUSCHER. I was here the other day, too.

The CHAIRMAN. And I thank her for her brief question.

The gentleman from South Carolina, Mr. Wilson.

Mr. WILSON OF SOUTH CAROLINA. Thank you, Mr. Chairman.

And, General Pace, Secretaries, I want to thank all of you for your service. I want to thank you for your vision, for your courage to protect our country in the unprecedented war on terror. And I think you are making the right decisions, and I am so grateful to have the opportunity to be here to back you up.

Additionally, I have some unique perspectives. This past year, I became a veteran after 31 years service with the Army reserves and the Army National Guard. And so I am just so proud of our troops and the progress they have made.

I also have the perspective of being a Member of Congress. I want to thank Congressman Skelton for including me on the delegation to Iraq. I had the opportunity to see firsthand the progress being made there and the dedication of our troops.

Additionally, I have the perspective of being a parent. I have three children who are currently in the military, two in the Army National Guard. And I see the Marine here—I am sorry, the other is a Navy guy. And so I am really proud that we cover at least two services. And I am particularly grateful and proud that one of my sons is at Fort Stewart right now in training to be deployed to Iraq within the next two weeks. So we are very, very grateful.

But with this perspective, I want to point out, Mr. Secretary, in particular that you are correct; that guard and reserve members are trained, they are enthusiastic, and they appreciate the oppor-

tunity to serve our country. And we knew when we signed on the line that this could occur, and we are proud to serve our country. And I have seen this in all of my activities around the world, of proud guard and reserve members.

And, General Pace, you have really answered a lot of questions that I had relative to the body armor, of armored Humvees. And I share the concern of Congressman Simmons, and I hope the actions will continue to protect our troops.

But, Secretary Rumsfeld, in regard to the balanced skill sets of the guard and reserve into the active Army, can you be more specific on that?

Secretary RUMSFELD. I can. By way of example, we have been overusing those people who are in military police and civil affairs and underusing heavy artillery in the guard and reserves. So we have been—General Schoomaker is in the process of creating a better balance there.

The same thing is true with the active versus the reserve overall. We have had a number of skill sets which simply did not exist, or existed only one, two, three, four, five percent of the total skill set in the active force. So, then you get into a conflict. Immediately you have got to call up the reserve. You can't even begin and do anything with the active force unless you have those skill sets that for whatever reason were kept completely out of the active force, or almost completely. So one example was port handlers. There just weren't any on active duty. That means that if you wanted to move something and open a port, you simply had to activate a reserve unit, send it over in advance, have them be there to receive the first ship to arrive. There is a number of instances like that which all of the services are working their way through.

Mr. WILSON OF SOUTH CAROLINA. And a final question. In regard—I support the rationalization of infrastructure of BRAC, and I am really proud of the different facilities that I represent in South Carolina. What recommendations would you have to communities to prepare for BRAC?

Secretary RUMSFELD. I am speechless.

Mr. WILSON OF SOUTH CAROLINA. As a former Member of Congress, I know you can answer this question.

Secretary RUMSFELD. BRAC came up long after I left the Congress. I really don't know. I must say, it bothers me. I am conservative when it comes to dollars, and it bothers me to see States and cities and counties and municipalities spending money hiring people to defend them. The process is a congressional process. The criteria are going to be fair. The people serving are going to be fair. The process will be transparent to the Congress, transparent to the press, and it will end at some point. And when it ends, hopefully the people will have made good decisions, and the Congress will have a chance to opine on those decisions. And it seems to me that if I—I think, if I were in their positions, I would be—not be spending a lot of money hiring promotional people, myself.

Now, that is right off the top of my head, and I have never been in that situation, so I really don't know what I would do if I were there.

Mr. WILSON OF SOUTH CAROLINA. Thank you, Mr. Secretary. And God bless our troops.

Secretary RUMSFELD. Thank you so much.

The CHAIRMAN. Thank the gentleman.

My seatmate from California, Mrs. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman, and Secretary Rumsfeld, Dr. Chu, General Pace. Thank you very much for being here. Dr. Zakheim. I appreciate that. Appreciate your dedication and your work.

First, Mr. Secretary, I wanted to commend you on your creativity in increasing the shipbuilding budget. I can assure you that we appreciate that in San Diego and will do a good job by that. But I also wanted to talk about your priorities and the \$400 billion defense budget as they relate to the quality of life in force protection.

As you know, missile defense is up some 20 percent in the budget, as I understand it, yet military construction and family housing suffered double-digit percentage cuts. We know that for our military—they probably are at greater threat from short-range ballistic missiles, and our Patriot Advanced Capability-3 (PAC-3) system, which defends against that, is cut 30 percent, again, as opposed to the large percentage increase for missile defense.

Could you share with me how those priorities came about, whether they have the support of the joint chiefs, and how those decisions really were made?

Secretary RUMSFELD. Well, I am trying to get the data here from Dr. Zakheim. But the idea that family housing has been cut in double digits can't be true. When we came here three years ago, I don't know if you have the facts, but the recapitalization of the housing was at something like 197 years. Fifty or sixty or seventy years is about normal in the private sector. We have driven that number down not to 50 or 60 or 70 years, but we have driven it down, I believe, to something like 109, if my memory serves me correctly, years—107—I misspoke—in years for recapitalization.

Second, the family housing budget in 2004 was \$3.8 billion. In 2005 it is \$4.2 billion. And not only is it not down double digits, it is up; and not only is it up, the money is buying a heck of a lot more because we are using private financing, and we are getting many more units per dollar expended. And I don't have that, the leverage that is provided by using private money, but it is \$8 to \$10 per dollar of investment. So it is much—the value in terms of housing that is being created is dramatically above where it was 3 years ago, and we have pulled that recapitalization rate down significantly.

General PACE. If I might add one point on housing, ma'am, and that is that for those who do not live in housing on base, thanks to several years in increases in housing allowance, this last budget, this 2005 budget will, in fact, zero out any out-of-pocket expense for the servicemember. So if he or she is not living on base, he will have adequate money in his pocket to go rent or buy in the local economy.

Ms. DAVIS OF CALIFORNIA. Sir, I appreciate that. And in some housing communities that is difficult to come by, and, in fact, we still think that there are dollars coming out of our members who are serving, out of their pocket. The numbers I have would indicate that there is a cut. But I guess if you could juxtapose this against the 20 percent increases in missile defense, I mean, how do we jus-

tify that? How do we justify that there is a decrease in PAC-3, which I think would be a greater need for our military today?

Secretary RUMSFELD. It is possible for anyone to take any piece of a \$400 billion budget and say this is down and that is up, why is that. And how do you compare apples and oranges? How do you compare family housing against a ballistic missile or against a research and development? There is no way to answer your question, obviously. But I am unhappy that we don't have the family housing down to a 67-year recapitalization rate, and it won't be down there, if my memory serves me correct, until about 2008, I think, 2008 or 2009. And it is because it started at 197 years 3 years ago. And I wasn't here, so I can't tell you why the Department of Defense and this committee decided to do that, to allow the recapitalization rate to float up to 197 years. But we are pulling it down. It is down to 107 or 108 or 109, and it is heading down towards 67 by 2008.

Ms. DAVIS OF CALIFORNIA. I think the reason that we try and make some sense out of that is that we have to face our sailors back in our district who know that there has been a proposal for barracks for how many years, and they don't see any changes in that regard. And so I think to the extent that we can—I understand that it may not be apples and oranges, but I think what are the real needs that we have today for force protection? We know that family housing or other housing makes a difference for the quality of life of our sailors, and we need to be able to present that to them in a way that is reasonable. And when you see these increases, it makes it difficult to do that.

The rest of my questions really have to do with the consensus among the Joint Chiefs and whether or not we get that kind of buy-in on these issues and whether or not they perhaps would change that allocation.

Secretary RUMSFELD. Sure. General Pace is the Vice Chairman of the Joint Chiefs of Staff, and he can certainly respond.

Ms. DAVIS OF CALIFORNIA. Thank you.

General PACE. Ma'am, myself and the other Joint Chiefs have all been involved in this. I am part of the budget process, along with Deputy Secretary Wolfowitz. The service chiefs in their service hats work with their service Secretaries, and then they come into the tank as Joint Chiefs and vote on it again. So we have had multiple opportunities to look at this.

And one of the main quality of life items is ensuring that our servicemembers come home alive. And as we look at this budget, it provides a very good balance, at least in my view, between the kinds of quality of life that you look at as far as housing and the like and the quality of life that gives us the ability on the battlefield to do what we need to do and survive that battle and come home and live in that new housing.

Ms. DAVIS OF CALIFORNIA. And could you just comment on the missile defense versus the PAC-3 system? Is that a fair comparison?

General PACE. I don't know the numbers you are looking at, ma'am. I do know that there is a need. We agree that there is a need for a capability of this Nation to defend itself from rogue nations' shots. This budget, if approved, will, in fact, provide for that. I think that having a small capability in that regard may very well

be the difference between a disaster on the West Coast of the United States and not.

So it is hard to judge apples and oranges, and when you slice \$400 billion, which is a huge amount of money, some things don't get as much as you would like, but in balance I think it is a very, very good budget.

Secretary ZAKHEIM. Could I just add that particularly with PAC-3, which is not a new program, we have been buying these missiles for some time. And so, for instance, in fiscal year 2004, we are buying 135 of them. We are buying over 100—I think it is 108 in fiscal year 2005. It is an ongoing program. And when we get the requirement from the Army, and you know the Army is now in charge of that, we do our best to fund it. So I think we are in sync with the Army requirement.

Ms. DAVIS OF CALIFORNIA. Thank you.

The CHAIRMAN. I thank the gentlelady.

The Ranking Member is recognized, and then we will go to Mr. Kline.

Mr. SKELTON. Mr. Chairman, I ask unanimous consent to submit for the record a statement by Ms. Sanchez and a letter to the Secretary from Ms. Bordallo.

The CHAIRMAN. We have already got that exchange of letters going. Without objection.

And the gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman. I greatly applaud the exchange of letters program.

Thank you, Mr. Secretary and General and others, for being here today. And thank you for your extraordinary patience with us and your perseverance. And thank you—I am speaking to the uniform here, General Pace, for the service of the men and women in uniform here and abroad. I am so proud of them. I am proud of my own son who wears an Army uniform—I am proud of him anyway for doing a terrific job, and all of them are just doing so well. And I know, General Pace, when you and I were much, much younger, we thought that we were the best, and we served with the best. And I know you would agree with me that the men and women in the Armed Forces today and the quality of our Armed Forces today is so much better than those years ago. So, again, thank you for that.

I have many, many questions and no doubt several speeches to make. I will skip most of those and just say that I am very concerned about the employment of the guard and reserve. And I am very interested in the language that talks about a continuum of service, and I have many questions about how that will work, how that will affect pay and benefits for the active forces and for the reserve, and how that will impact both of those components. I am looking forward to working with Dr. Chu and his folks, and hope that someone from your office, sir, will be in touch with us.

Let me just cut to a fundamental question here. If we had—we are looking right now at the percentage of reserve component in the theater, I understand, of around 40 percent, and it will be around 40 percent at the end of the redeployment for Operation Iraqi Freedom II. Can you give me some idea of what the percent

of reserve component would be in theater at the end of, say, the next redeployment, Operation Iraqi Freedom III and IV?

And more to the point, my real question is, when we complete the transformation that General Schoomaker has in mind, and the shifts in capabilities in the reserves, and the addition of the extra brigade to the divisions and all those things, can you give me an idea of what that percentage of reserve component would be? In other words, are we moving in these efforts to reduce our reliance on the reserve component or not? Thank you.

General PACE. Sir, the short answer to your last question is, yes, sir. To go back. The current mix in Iraq is 78 percent active, 22 percent reserve. When we get done with this rotation between now and the April-May time frame, when that all turns out, it will be then 63 percent active, 37 percent reserve.

As we sit here today—literally, as we sit here today, across the river in the Pentagon is a group of officers sitting down looking at if we have to have a rotation Operation Iraqi Freedom (OIF) III; and if it is larger, if it is the same size, if it is smaller, how would we do that to come forward to the Secretary?

So I am not able to sit here today, sir, and tell you specifically what kind of a mix it would be.

Mr. KLINE. Thank you very much.

I guess let me press the question just a little bit. In looking at those mixes, is the percent of or degree of dependency on the reserves, is that a consideration, and is it near the top, or are you strictly looking at capability, and whether they are active or reserve doesn't matter?

General PACE. I will try to answer, sir; and if I don't get the tone right, you will ask it again.

Mr. KLINE. I will try not to.

General PACE. We are looking to see what kind of capabilities we need. We know for a fact that we are relying too heavily on the guard and reserve for combat support, combat service support, and things like civil affairs and the like. So we know that, and that is part one of what we are trying to do to rebalance the force.

In the meantime, we need to fight the war that is going on, and we are trying as we do so to first resource whatever capability is needed with an active unit. And if we are not able to resource it with an active unit, then go to the reserves.

Mr. KLINE. Thank you. That exactly answers. Thank you very much.

The CHAIRMAN. I thank the gentleman.

The gentleman from Ohio, Mr. Ryan. And, folks, we have got three votes coming up, but it is the intent of the Chair to continue until we are finished here.

Mr. RYAN OF OHIO. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for coming. It has been a long meeting. I got to sneak out, but you didn't. But I was here in time to hear the question on the BRAC committee, and I do have an air base in my district next to Warren, Ohio, which is your old home. And you could save us a lot of money if you would just come and visit it yourself, and that way the state wouldn't have to fund a couple hundred thousand dollars.

But what I wanted to talk to you about today was a situation with a company in Niles, Ohio, and an industry that Chairman Hunter has been working with me on with the Berry amendment.

A couple of the issues. One, as I am sure you are familiar with, the Berry amendment provides these waivers for companies who can't seem to comply. One of the industries is the titanium industry, and the Air Force has been frequently purchasing their titanium from a Russian company. There are only about three United States companies left. And I wonder if you could just explain for a minute or two on what these waiver decisions are based on and getting the titanium from a company in Russia that doesn't have the same environmental laws, labor laws as we do in this country.

Secretary RUMSFELD. I am afraid I am going to have to get an answer for the record on that. I simply don't know.

[The information referred to can be found in the Appendix beginning on page 154.]

Mr. RYAN OF OHIO. Okay. Let me just make a point then, and we can have a discussion maybe after. One of the things that happens with the waivers that we tried to get in the last appropriations bill, which I thought was important, I think, for the industry, certainly the titanium industry, also the tire industry, is to—as the waiver is granted for whatever reason, is to put some of the other companies on notice and let them know as to why the waiver is being granted for the other company and allow them an opportunity, the other company an opportunity, to say, hey, wait a minute, we can comply with Berry right now without you having to grant a waiver for another company. And one of the provisions that we tried to get in—it didn't end up making it in—was to say, give the other company 14 days, put them on notice, and allow them to compete fairly with these other companies, some of which are located outside the United States.

So you are welcome to make a comment on that, but I think it is very important as we see the erosion of the industrial base in this country, is for the Department of Defense and the President of the United States and the Congress to really make this a priority for those places like Youngstown, Ohio, that need the kind of business, which also, I think, fills the need to have the base level of the defense industrial base.

Secretary RUMSFELD. If my memory serves me correctly, you are correct that Chairman Hunter did work on this and did talk to me about it, and that it ended up being an issue that is not Department of Defense-oriented exclusively. It involves the Commerce Department and the Special Trade Representative and the Office of Management and Budget. Is that the one we talked about?

Mr. RYAN OF OHIO. That was a part of the package of the industrial base initiatives. And I think what we are talking about here is a piece of this, but the idea was to have, before a waiver is exercised under Berry that allows you to go offshore, to give a notice to the domestic company and give them a chance to prove that they have got the capability. Not a bad idea, and something I think we would ask you to consider, Mr. Secretary.

Secretary RUMSFELD. We will be happy to get back to you with a response.

Mr. RYAN. That would be great. And if it isn't under your jurisdiction, maybe you could help us with some of these other departments.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman for his question.

And the gentlelady from Michigan who just returned from Iraq, Libya, and Afghanistan. Mrs. Miller.

Mrs. MILLER OF MICHIGAN. Thank you, Mr. Chairman. I will be brief, as we are running for a vote here.

But certainly, Mr. Secretary, General, and others, we appreciate your service and your willingness to be here this morning.

As the Chairman mentioned, I did have a rather interesting week last week. We were in Libya, the first congressional delegation, I think, in 38 years to meet with Khadafi; certainly the first time a military aircraft from the United States has been in Tripoli in about that same time frame, as well. And I think that there was some question or some comment a little bit earlier by some of the other Members about perhaps the preemptiveness, the Bush document is not working. If you think about what is going on in Libya, voluntarily opening up its borders to allow the International Atomic Energy Commission to come in and disarm his nuclear program, I can't speak for what the thought process is there, but certainly I think watching a fellow like Saddam Hussein get drug out of a rat hole had to have some impact on some of the decisionmaking there.

So I think that what is the remarkable work that we are doing in both Iraq and Afghanistan is the reaching far beyond the borders of those two nations, as well, and that we are at a pivotal moment in history and successfully prosecuting the war on terror. What is happening in those two theaters is, as I say, having a huge impact.

This is just something we can talk about at another time, but I do want to make this comment, as well. It was my observation as I had an opportunity in Iraq to talk to, whether it was General Sanchez or General Ordierno, what have you, one of the—a common theme that I heard, a problem that they have is that we don't have enough linguists there. And as our troops are out on patrol, as our troops are trying to have these town hall meetings, as they are perhaps questioning some of the women, with the cultural differences that we have, not having the availability of linguists is a problem for our troops there.

I live in southeastern Michigan where we have the largest Arabic population in the Nation, and I must say, since I have been back, already I have talked to a number of the leaders in the Iraqi community in southeastern Michigan who want to help in some format. And I am not quite sure what the path is to this, but there are plenty of Iraqi Americans that I think could exercise their ability to help us in some format, sort of our own Peace Corps perhaps there, maybe the Iraqi American Democracy Corps. They are wanting to volunteer to assist. We do have that availability, the willingness—not quite sure how we put all that together, but I would like to work with you on that, Mr. Secretary, if we could.

Secretary RUMSFELD. Well, thank you very much. I quite agree with you that the activity in Libya is clearly a result of the things

that are happening in the world, and that government made the right decision, and one would hope that other governments will, going down as we go forward.

You are also correct, of course, that we have a problem with linguists. Part of the problem is linguists; another part of the problem is security clearances, which take time and are very difficult. One way that the linguist problem is being met by the forces is by having joint patrols with Iraqi police, Iraqi Civil Defense Corps, Iraqi Army, and that helps a lot, and they find that they are each more effective by working with each other.

Certainly there ought to be some way we can find the willingness of these volunteers in Michigan, Chicago, and elsewhere across the country to have them help. We have got millions of documents that need to be translated. We have got all kinds of situations where linguists are needed. And I would be happy to have Dr. Chu, who has been involved with this, respond more fully and work with you in the future.

Dr. CHU. We will come meet with you, ma'am.

Let me point to one opportunity. The Army has pioneered a program for Individual Ready Reserve appointments for exactly this kind of community. In fact, the first 20 or 30 will deploy in about a month. We have signed up well over 150 people so far, and so we would be eager to get more names from you.

Mrs. MILLER OF MICHIGAN. Very well. Thank you, gentlemen, so much.

The CHAIRMAN. I thank the gentlelady.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

And, Mr. Secretary and General Pace, thank you very much for being here and for what you do for our Nation and what the folks you lead do for our Nation.

A couple quick questions. BRAC-I have heard you say that it is going to be 25 percent of capacity. Is that 25 percent of capacity per service or of total capacity?

Secretary RUMSFELD. No. First of all, I don't know. Second, the number that I have heard is 20 to 23 percent to 25 percent. It is a rough guess. And—

Mr. TAYLOR. Particularly rough on the communities that lose their base.

Secretary RUMSFELD. Well, there it is 100 percent. That is always the way it is in life. But we won't know the answer to that until the BRAC process is over and people have had a chance to look at it and make a judgment. I would guess that number is lower today because of the forces we are bringing back from overseas. And I am just guessing, but that is my best guess.

And, second, you are absolutely right. Not only does it not run to a single service, it doesn't run to a single category like air base or service base or training area. It is just an aggregate gross guess.

Mr. TAYLOR. A couple other things. I happen to be particularly concerned, just as I have mentioned to you before, about the effect of improvised explosive devices and the number of casualties they cause; that General Sanchez thought that, off the top of his head, over half of our casualties were as a result of improvised explosives. I am told that someone who is smart enough to put a starter

on his car, which isn't great technical skill, can learn to rig up one of these improvised explosives in about a day using a cell phone or whatever. It is my understanding that the cell system is getting ready to come back up in Iraq, and that would potentially have nine million people walking around with a trigger in their pocket for improvised explosives.

If the case was made to you by one of our military commanders that that needs to be delayed for the purpose of protecting the lives of our troops, I am curious what your response would be.

The second thing is, I have seen where you are now, budgeting about \$10 billion for national missile defense.

Secretary RUMSFELD. National fiscal what?

Mr. TAYLOR. National missile defense. We have not lost an American to an intercontinental missile yet, and yet we have lost approximately 250 young Americans to improvised explosives. My question is, what have you budgeted towards solving this problem to the greatest extent possible through technology of improvised explosives for this coming year?

Secretary RUMSFELD. The first thing I would say is, of course, if a case were made that the cell phone—deployment of cell phones could contribute significantly in ways that we weren't able to counter the risks of IEOs, we would have to surface that up and balance the risks and make a judgment on it.

Mr. TAYLOR. It is my understanding, Mr. Secretary, that decision is going to have to be made pretty soon.

Secretary RUMSFELD. Well, I will look into it.

Mr. TAYLOR. I am thinking even within the next 60 days, Mr. Secretary.

Secretary RUMSFELD. And I would like Pete Pace to comment on the other aspect of the IEO.

General PACE. Sir, I sit on a committee, along with others at this table plus many in the building, with Deputy Secretary Wolfowitz, who is running a force protection committee, and he has identified, with the help of the scientific community, about \$700 million in force protection initiatives. About 600 million give or take Congress has already seen and approved expenditure to get these things on a fast track. We have got the scientific community working this, we have got industry working it. We are taking the lessons learned not only from the standpoint of what can we do technologically, but what can we do tactics, techniques, and procedures to train our soldiers to be able to understand the environment in which they are operating, to stay away from specific areas and the like. But we are putting as much brain power in this as we can, sir.

Mr. TAYLOR. General Pace, I would hope and ask that every single soldier—in follow-up to what Mr. Simmons said—every single soldier, airman, Marine, coastguardsman who is over there, that we set the goal of providing for them the same level of protection that I had when I went to visit, the Chairman had when he went to visit, and, quite frankly, when the Secretary goes there to visit. If it comes down to \$10,000 per vehicle, it is chump change for the life of a young Marine. That is absolutely nothing. And the goal of protecting only so many vehicles, I think, is very much akin to the mistake we, our Nation, made with not giving every single soldier,

sailor, airman, and Marine the best body armor when they went in in the first place.

General PACE. Sir, thank you. It is clear to me that if we identify it, that it will get funded. And I don't want to sound like we are talking statistics, because we are not, because each death is very important, but there are parts of this job—some things can be done with people inside of tanks, some things can be done inside a Bradley, some can be done from inside of up-armored Humvees. But some of this work requires Marines, soldiers walking the streets with the people, and there is an element of risk there. That doesn't mean that what they are doing and their individual safety is not important, but there is an element of risk to doing the kinds of things you need to do to provide the local security for the people so that they get the comfort to know that there is something there inside their society that is going to allow them to have a better life. And it will be them bringing forward, as they are beginning to do more and more, the IEO bombmakers and turning them in that will actually turn the table on us. Technology won't do it. It will help, but it will take the human intelligence on the ground and the will of the Iraqi people to turn this thing around.

The CHAIRMAN. General Pace, I know one thing—

Mr. TAYLOR. Thank you.

The CHAIRMAN. I thank the gentleman.

One thing Mr. Taylor was referring to is countermeasures that we are taking. We had a classified briefing on it today, and there are certain increases that could be forthcoming. We need to talk to you about that. We will talk to you off the record on that. So I invite Mr. Taylor to participate in that.

Well, Mr. Secretary, I am up here with my friends. Thank you for this important hearing. Let me just say a couple things as we sign off here, Mr. Secretary.

I understand that the tanker deal is at this point going to be held in abeyance. I just want to let you know that this committee undertaking the classified briefings that you recommended on the two-war scenario and the particular major conflicts reflected to us that we need tankers, because that is one of the enablers, along with the precision munitions, lift, theater missile defense, the command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) that needs to be bolstered. And it is this—it is at least my intent to move forward, moving aside the politics and the personalities of the day with respect to the so-called tanker deal, to work to make sure that we do, in fact, acquire sufficient tankers to deliver American airpower when and where we need it.

So we are going to work with you on that. We are also going to undertake our own initiatives. But we think that should—the national requirement should be something that is separate from this squabble and controversy that has been part and parcel of the so-called tanker deal. So I haven't seen any facts that say that we need—that show that we need fewer tankers than we did when we got those briefings that led this committee, before there was a tanker initiative, to put extra money in for it.

Last, Mr. Secretary, you talked about the weapons of mass destruction. That was an item of interest today. I think it is impor-

tant for everybody who wears a uniform, who has carried or followed the flag of the United States in theater in Iraq to know that what they have done in turning out Saddam Hussein and liberating that country was right. And I think that the best evidence of mass destruction from my perspective are the thousands of bodies of Kurdish mothers with their babies killed by poisoned gas spread across those hillsides, a site which to me was every bit as compelling as the pictures of Dachau and Auschwitz.

Second, the revelations that we have seen, the film of people being pushed off buildings, the people being executed, the hundreds now of mass graves that are being turned up in Iraq all say one thing, and that is that what we did was right, and that the moral purpose of the people wearing the uniform of the United States was right; and that this debate that is now taking place over whether or not our intelligence was perfectly accurate does not go to that point that we have undertaken and are finishing an enormous task for humanity; that we are doing the right thing by the United States of America with respect to our security and with respect to the freedom of the Iraqi people.

So I think it is important that we keep making that point, and that we don't allow the people that wear the uniform of the United States to feel that somehow the United States or the people of the U.S. do not back them and back their purpose.

Secretary RUMSFELD. Mr. Chairman, I must say I agree completely with what you have said. It is—they are doing a superb job. It is important for them to know that what they are doing is important, it was right, and the world is a far safer place today for what they have done.

The CHAIRMAN. Well, thank you for your work today. Thank you for doing this double duty. And we invite you back here any time, Mr. Secretary.

Secretary RUMSFELD. I hope you will—I am still confused and unclear as to why people are surprised we have been increasing force levels when the Congress authorized us to do it; they gave us the emergency power, they gave us the supplemental to do it. We have been doing it for two years. It ought not to be a surprise.

The CHAIRMAN. Well, when General Schoomaker says he can produce ten brigades for us out of basically the existing force, I think that is good news, not bad news.

Secretary RUMSFELD. You bet it is.

The CHAIRMAN. So we look forward to working with you on it.

Secretary RUMSFELD. Terrific.

The CHAIRMAN. And, General Pace, again, thank you for being with us. Please convey our best to General Myers.

General PACE. I will, sir. Thank you.

[Whereupon, at 4:07 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 4, 2004

the first of these is the fact that the system is not self-sufficient. It is dependent on the outside world for many of its needs. This is a serious disadvantage, especially in times of war or economic crisis. The second is that the system is not very flexible. It is difficult to change the system once it has been established. This is a disadvantage because the world is constantly changing and the system must be able to adapt to these changes. The third is that the system is not very efficient. It takes a long time to get things done and there is a lot of waste. This is a disadvantage because the world is constantly changing and the system must be able to adapt to these changes.

The fourth is that the system is not very democratic. It is controlled by a few people and the rest of the population has no say in the way the system is run. This is a disadvantage because the system should be run for the benefit of the whole population, not just a few people.

The fifth is that the system is not very stable. It is always in a state of flux and there is a lot of uncertainty. This is a disadvantage because the system should be stable and predictable.

The sixth is that the system is not very secure. It is vulnerable to attack and there is a lot of risk involved. This is a disadvantage because the system should be secure and safe.

THE FUTURE OF THE SYSTEM

The future of the system is uncertain. There are many factors that could lead to its collapse, but there are also many factors that could lead to its survival. It is difficult to predict the future, but it is clear that the system is in a state of crisis and it must be able to adapt to these changes.

The first factor is the economy. The economy is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the economy for many of its needs.

The second factor is the environment. The environment is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the environment for many of its needs.

The third factor is the population. The population is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the population for many of its needs.

The fourth factor is the technology. The technology is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the technology for many of its needs.

The fifth factor is the culture. The culture is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the culture for many of its needs.

The sixth factor is the politics. The politics is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the politics for many of its needs.

The seventh factor is the religion. The religion is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the religion for many of its needs.

The eighth factor is the science. The science is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the science for many of its needs.

The ninth factor is the art. The art is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the art for many of its needs.

The tenth factor is the philosophy. The philosophy is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the philosophy for many of its needs.

The eleventh factor is the history. The history is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the history for many of its needs.

The twelfth factor is the geography. The geography is in a state of crisis and it is difficult to see how it can survive. This is a serious disadvantage because the system is dependent on the geography for many of its needs.

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 4, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

Department of Defense FY 2005 Posture Hearing

February 4, 2004

This afternoon the Committee meets to receive testimony on the Department of Defense Fiscal Year 2005 budget request. Our witnesses are:

Honorable Donald H. Rumsfeld
Secretary of Defense

General Peter Pace
Vice Chairman, Joint Chiefs of Staff

They are accompanied by:

Honorable Dov Zakheim
Undersecretary of Defense & Chief Financial Officer

Honorable David Chu
Undersecretary of Defense for Personnel and Readiness

Welcome to the Committee gentlemen. I know you had a busy morning with our Senate colleagues and hope you haven't grown tired of the Rayburn building just yet.

Someone once compared transforming the military in the middle of a war to changing the tires on a moving school bus. Fundamental reform is very tough for any organization, but for the Department of Defense, the stakes are even higher as lives depend on getting it right and not increasing the risk to the nation in the process.

For these reasons, Mr. Secretary, I agree with those that believe you have the toughest job in Washington. I also happen to believe that we are very fortunate to have someone with your drive, determination and intellect to carry this difficult task forward. Difficult or not, we are a democracy at war and the job still has to be done.

Many elements of this budget reflect that fact. It represents a roughly seven percent increase over last year's request. That's real growth, and it has been a long time coming. The request meets many of our immediate needs, funds long-term, transformational

systems, and continues to improve our soldiers' quality of life. Overall, this budget takes us in the right direction.

That said, as a country we need to ask ourselves if we are truly mobilizing for the long term conflict that the President has warned us the global war on terror will be. As a percent of gross domestic product or as a percent of total federal outlays, defense spending is still far below where it was during Vietnam, or even the Reagan buildup that helped win the Cold War. While those periods in our history shouldn't arbitrarily determine current defense expenditures, they should remind us that significantly higher levels of national security spending are within our experience, and our means.

There are a variety of proposals floating around Washington to increase the size of our military. It's no secret that I personally think the force structure cuts of the 1990s went too far. Short-term thinking about both the security environment and the federal budget drove many of those cuts when we should have been thinking much longer term.

To its credit, this Administration has done a lot of long-term thinking when it comes to the *kind* of forces we will need in the future. This budget request reflects that thinking and is a significant step in improving our future security.

But the simple fact is that we don't know when the global war on terror will end. It's true that we can't solve today's strains on the military by an immediate increase in the size of the military. But, given the length of time it takes to create new military units, we need to start today if there's a possibility that transformation and management reform won't fully address the problems we may face tomorrow.

As you are so fond of reminding us, Mr. Secretary, the future is largely unknowable. Unknown unknowns mean risk. While such unknowns are unavoidable, a larger force – transformed or not – will go a long way in reducing the risks they pose.

This is an important debate that will not be settled today, but I look forward to hearing your latest assessment on how the

Department is preparing for this uncertain future and to continuing this dialogue in the months ahead.

Let me now recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

[Following Mr. Skelton's remarks]

The entirety of our witnesses' prepared statements will be entered into the record.

Mr. Secretary, we welcome you once again and the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO),
Ranking Member, Committee on Armed Services, U.S. House of
Representatives**

Posture Hearing on FY 2005 Defense Budget Request

February 4, 2004

Thank you, Mr. Chairman. Welcome back Mr. Secretary and General Pace. Our thoughts are certainly with General Myers and his family today. I'd also like to thank Dr. Zakheim and Dr. Chu for joining us.

Mr. Chairman, I returned back from my second trip to Iraq and my first trip to Afghanistan a little more than a day ago. The impression that remains is again one of tremendous pride for our amazing American soldiers. They are each doing so much every single day there to bring peace to those nations. Their performance is magnificent and their morale is high.

But we are facing real dangers. I am convinced that Iraq will not be ready for the transfer of sovereignty by July 1. We must not let our own electoral timetable determine the future of that nation. Rather, we should only turn over sovereignty when there is a stable and viable government; an adopted constitution; a stable security environment; and fully-restored services. If we rush the process, we risk a civil war among the Shi'a, Sunni, and Kurds that could spiral out of control.

Our efforts would be helped in Iraq by getting NATO involved as they are in Afghanistan. The alliance would diminish the perception that this is primarily an American operation, while alleviating the burden on our troops. Our partners in Europe have an interest in a strong and secure Iraq and involving NATO would be an effective way of both strengthening the institution and helping to improve Iraq's security.

NATO has certainly helped in Afghanistan and that nation is making progress. But there are real security challenges there too. The

Taliban and al Qaeda have not been eliminated and without real security for this nation, it risks again becoming a harbor for terrorism.

Having said all this, I'd like to turn for a moment to the president's defense budget request. I applaud the increase it puts toward our national security and the funding—including the pay raise—that it includes for our troops. But I have some real concerns with it as well.

This budget does not account for the operations in Iraq and Afghanistan despite the fact that these have been ongoing for quite some time. While I recognize the difficulty in predicting precise costs, our track record to date must give us some estimate of what we are likely to spend.

I am also amazed to see that, while the overall defense budget increases by \$26.4 billion, the budget for the Army increases by only \$1.8 billion. The Army right now is carrying the large majority of the mission in Iraq as well as being deployed in 130 countries globally.

These soldiers and their families deserve more of an increase, particularly in a year when the department wants to spend over \$10 billion on missile defense.

It is my opinion that the Army, as well as the other services, also needs additional end-strength. I commend General Schoomaker for the efforts he is undertaking to find 30,000 additional soldiers, but I disagree with his fundamental premise. This demand is not a temporary spike. We have testimony in this committee going back to 1995 on the need for more end-strength. We still have forces deployed in Korea and Germany and the Balkans. We will have troops in some numbers in Iraq for a long time. I think General Schoomaker is a visionary; I would just take his vision one step further.

Thank you, Mr. Chairman. I thank the witnesses again for being here and look forward to their testimony.

**Prepared Testimony Of U.S. Secretary Of Defense
Donald H. Rumsfeld
House Armed Services Committee
The President's 2005 Budget Request
For The Department Of Defense
February 4, 2004**

INTRODUCTION

Mr. Chairman, members of the Committee, I am pleased to be here today to discuss the progress in the global war on terrorism, our transformation efforts, and to discuss the President's 2005 budget request for the Department of Defense.

First, I want to commend the courageous men and women in uniform and the Department civilians who support them. They are remarkable – and what they have accomplished since our country was attacked 28 months ago is truly impressive. In less than 2½ years, they have:

- Overthrown two terrorist regimes, rescued two nations, and liberated some 50 million people;
- Captured or killed 45 of the 55 most wanted in Iraq– including Iraq's deposed dictator, Saddam Hussein;
- Hunted down thousands of terrorists and regime remnants in Iraq and Afghanistan;
- Captured or killed close to two-thirds of known senior al-Qaeda operatives;
- Disrupted terrorist cells on most continents; and
- Likely prevented a number of planned terrorist attacks.

Our forces are steadfast and determined. We value their service and sacrifice, and the sacrifice of their families, who also serve.

And we thank the members of this Committee for the support you have shown for the troops during the global war on terror. With your support, we have the finest Armed Forces on the face of the Earth.

We have a common challenge: to support the troops and to make sure they have what they will need to defend the nation in the years ahead.

We are working to do that in a number of ways:

- By giving them the tools they need to win the global war on terror;
- By transforming for the 21st century, so they will have the training and tools they need to prevail in the next wars our nation may have to fight – wars which could be notably different from today's challenges;
- And by working to ensure that we manage the force properly – so we can continue to attract and retain the best and brightest, and sustain the quality of the all-volunteer force.

Each represents a significant challenge in its own right. Yet we must accomplish all of these critical tasks at once.

When this Administration took office three years ago, the President charged us with a mission – to challenge the status quo, and prepare the Department of Defense to meet the new threats our nation will face as the 21st century unfolds.

We have done a good deal to meet that charge. Consider just some of what has been accomplished:

- We have fashioned a new defense strategy, a new force sizing construct, and a new approach to balancing risks – one that takes into account not just the risks in immediate war plans, but also the risks to people and transformation.
- We have moved from a "threat-based" to a "capabilities-based" approach to defense planning, focusing not only on who might threaten us, or where, or when – but more on *how* we might be threatened, and what portfolio of capabilities we will need to deter and defend against those new threats.
- We have fashioned a new Unified Command Plan, with
 - A new Northern Command, that became fully operational last September, to better defend the homeland;
 - The Joint Forces Command focused on transformation; and
 - A new Strategic Command responsible for early warning of, and defense against, missile attack and the conduct of long-range attacks.
- We have also transformed the Special Operations Command, expanding its capabilities and its missions, so that it can not only support missions directed by the regional combatant commanders, but also plan and execute its own missions in the global war on terror, supported by other combatant commands.

- We have taken critical steps to attract and retain talent in our Armed Forces -- including targeted pay raises and quality of life improvements for the troops and their families.
- We have instituted realistic budgeting, so the Department now looks to emergency supplementals for the unknown costs of fighting wars, not to sustain readiness.
- We have reorganized the Department to better focus our space activities.
- Congress has established a new Under Secretary of Defense for Intelligence and an Assistant Secretary of Defense for Homeland Defense.
- We have completed the Nuclear Posture Review, and adopted a new approach to deterrence that will enhance our security, while permitting historic deep reductions in offensive nuclear weapons.
- We have pursued a new approach to developing military capabilities. Instead of developing a picture of the perfect system, and then building the system to meet that vision of perfection – however long it takes or costs – the new approach is to start with the basics, roll out early models faster, and then add capabilities to the basic system as they become available.
- We have reorganized and revitalized the missile defense research, development and testing program – and are on track to begin deployment of our nation's first rudimentary ballistic missile defenses later this year.
- We have established new strategic relationships, that would have been unimaginable just a decade ago, with nations in Central Asia, the Caucasus, and other critical areas of the world.
- We have transformed the way the Department prepares its war plans – reducing the time it takes to develop those plans, increasing the frequency with which they are updated, and structuring our plans to be flexible and adaptable to changes in the security environment.
- We adopted a new “Lessons Learned” approach during Operation Iraqi Freedom, embedding a team with U.S. Central Command that not only studied lessons for future military campaigns, but provided real-time feedback that had an immediate impact on our success in Iraq.

- We made a number of key program decisions that are already having a favorable impact on the capability of the force. Among others:
 - We are converting 4 Trident nuclear SSBN subs into conventional SSGN subs capable of delivering special forces and cruise missiles into denied areas.
 - The Army has deployed its first Stryker brigade to Iraq, is completing conversion of the second, and is replacing the Crusader with a new family of precision artillery that is being developed for the Future Combat System.
 - We have revitalized the B-1 bomber fleet by reducing its size and using the savings to modernize the remaining aircraft with precision weapons and other critical upgrades.
- We have also undertaken a comprehensive review of our global force posture, so we can transform U.S. global capabilities from a structure driven by where the wars of the 20th century ended, to one that positions us to deal with the new threats of the 21st century security environment.
- Using authority granted us last year, we have established a new Joint National Training Capability, that will help us push joint operational concepts throughout the Department, so our forces train and prepare for war the way they will fight it – jointly.
- We have worked with our Allies to bring NATO into the 21st century – standing up a new NATO Response Force that can deploy in days and weeks instead of months or years, and transforming the NATO Command Structure – including the creation of a new NATO command to drive Alliance transformation.
- With the help of Congress last year, we are now establishing a new National Security Personnel System that should help us better manage our 746,000 civilian employees, and we are using the new authorities granted us last year to preserve military training ranges while keeping our commitment to responsible stewardship of the environment.

The scope and scale of what has been accomplished is remarkable. It will have an impact on the capability of our Armed Forces for many years to come.

We will need your continued support as we go into the critical year ahead.

Our challenge is to build on these successes, and continue the transformation efforts that are now underway. In 2004, our objectives are to:

- Successfully prosecute the global war on terror;
- Further strengthen our combined and joint war fighting capabilities;
- Continue transforming the joint force, making it lighter, more agile and more easily deployable, and instilling a culture that rewards innovation and intelligent risk-taking;
- Strengthen our intelligence capabilities, and refocus our intelligence efforts to support the new defense strategy and our contingency plans;
- Reverse the existing WMD capabilities of unfriendly states and non-state actors, and stop the global spread of WMD;
- Improve our management of the force;
- Refocus our overseas presence, further strengthen key alliances, and improve our security cooperation with nations that are likely partners in future contingencies;
- Continue improving and refining DoD's role in homeland security and homeland defense; and
- Further streamline DoD processes, continuing financial management reform and shortening acquisition cycle times.

So, we have an ambitious agenda. But none of these tasks can be put off.

Our task is to prepare now for the tomorrow's challenges, even as we fight today's war on terror.

MANAGING THE FORCE

One effect of the global war on terror has been a significant increase in operational tempo, which has resulted in an increased demand on the force. Managing the demand on the force is one of our top priorities. But to do so, we must be clear about the problem – so we can work together to fashion the appropriate solutions.

The increased demand on the force we are experiencing today is likely a “spike,” driven by the deployment of nearly 115,000 troops in Iraq. We hope and anticipate that that spike will be temporary. We do not expect to have 115,000 troops permanently deployed in any one campaign.

But for the moment, the increased demand is real – and we are taking a number of immediate actions. Among other things:

- We are increasing international military participation in Iraq.
 - As the President noted in his State of the Union address, 34 countries now have forces deployed in Iraq with U.S. forces and Iraqi security forces.
 - Japan began deploying its Self-Defense Forces to Iraq last month – the first time Japanese forces have been deployed outside their country since the end of World War II.
- As more international forces deploy, we have accelerated the training of Iraqi security forces – now more than 200,000-strong – to hasten the day when the Iraqis themselves will be able to take responsibility for the security and stability of their country, and all foreign forces can leave.
- And as we increase Iraq's capability to defend itself, our forces are dealing aggressively with the threat – hunting down those who threaten Iraq's stability and transition to self-reliance.

Another way to deal with the increased demand on the force is to add more people. *We have already done so.* Using the special powers granted by Congress, we have increased force levels by nearly **33,000** above the pre-emergency authorized end strength.

- The Army is up roughly 7,800 above authorized end strength;
- The Navy is up roughly 6,000;
- The Marine Corps is up some 2,000, and
- The Air Force is up about 17,000.

If the war on terror demands it, we will not hesitate to increase force levels even more using our emergency authorities. And because we are using emergency powers, we have the flexibility to reduce force levels in the period ahead, as the security situation permits, and as our transformation efficiencies bear fruit.

But it should give us pause that even a temporary increase in our force levels was, and remains, necessary. Think about it: At this moment we have a force of 2.6 million people, both active and reserve:

- 1.4 million active forces,
- 876,000 in the Selected Reserve – that is the guard and reserve forces in units;
- And an additional 287,000 in the Individual Ready Reserves.

Yet, despite these large numbers, the deployment of 115,000 troops in Iraq has required that we temporarily increase the size of the force by some 33,000.

That should tell us a great deal about how our forces are organized.

It suggests strongly that the real problem is not the size of the force, *per se*, but rather the way the force has been *managed*, and the mix of capabilities at our disposal. And it suggests that our challenge is considerably more complex than simply adding more troops.

General Pete Schoomaker, the Army Chief of Staff, compares the problem to a barrel of rainwater, on which the spigot is placed too high up. When you turn it on, it only draws water off the top, while the water at the bottom can't be used. The answer to this problem is most certainly not a bigger rain barrel; the answer is to move the spigot down, so that more of the water is accessible and can be used.

In other words, our challenge today is not simply one of increasing the size of the force. Rather, we must better manage the force we have -- to make sure we have enough people in the right skill sets and so that we take full advantage of the skills and talents of everyone who steps forward and volunteers to serve.

Consider another example: I keep hearing people talk about the stress on the Guard and Reserve -- that we can't keep calling them up for repeated mobilizations. Well the fact is, since September 11, 2001, we have mobilized roughly 36% of the Selected Reserve -- a little over one-third of the available forces -- and most of those mobilizations are concentrated in certain skill sets. For example:

- We have called up 86% of enlisted installation security forces
- 69% of enlisted law enforcement forces
- 67% of enlisted air crews
- 65% of enlisted special forces
- 56% of civil affairs officers
- 51% of military police officers
- 48% of intelligence officers

But, while certain skills are in demand, only a tiny fraction of the Guard and Reserve -- just 7.15 percent -- have been called up more than once since 1990. And the vast majority of our Guard and Reserve forces -- over 60% -- have *not* been mobilized to fight the global war on terror. Indeed, I am told that a full 58% of the current Selected Reserve -- or about 500,000 troops -- have not been involuntarily mobilized in the past 10 years.

What does that tell us?

- First, it argues that we have too few Guard and Reserve forces with certain skill sets that are high demand – and too many Guard and Reserve with skills that are in little or no demand.
- Second, it indicates that we need to rebalance the skill sets within the reserve component, and between the active and reserve components, so we have enough of the right kinds of forces available to accomplish our missions.
- And third, it suggests that we need to do a far better job of managing the force. That requires that we focus not just on the number of troops available today – though that is important – but on transforming the forces for the future, making sure we continue to increase the capability of the force, and thus our ability to do more with fewer forces.

And we are working to do just that.

MASS VS. CAPABILITY

One thing we have learned in the global war on terror is that, in the 21st century, what is critical to success in military conflict is not necessarily mass as much as it is capability.

In Operation Iraqi Freedom, Coalition forces defeated a larger adversary. They did it not by bringing more troops to the fight, which we could have done, but by overmatching the enemy with superior speed, power, precision and agility.

To win the wars of the 21st century, the task is to make certain our forces are arranged in a way to ensure we can defeat any adversary – and conduct all of the operations necessary to achieve our strategic objectives.

In looking at our global force posture review, some observers have focused on the number of troops, tanks, or ships that we might add or remove in a given part of the world. I would submit that that may well not be the best measure.

If you have 10 of something – say ships, for the sake of argument – and you reduce the number by five, you end up with 50 percent fewer of them. But if you replace the remaining five ships with ships that have double the capability of those removed, then obviously you have not reduced capability even though the numbers have been reduced.

The same is true as we look at the overall size of the force. What is critical is the capability of the Armed Forces to project power quickly, precisely, and effectively anywhere in the world.

For example, today the Navy is reducing force levels. Yet because of the way they are arranging themselves, they will have more combat power available than they did when they had more people.

In Operation Iraqi Freedom, the Navy surged more than half the fleet to the Persian Gulf region for the fight. With the end of major combat operations, instead of keeping two or three carrier strike groups forward deployed, as has been traditional Navy practice, they quickly redeployed all their carrier strike groups to home base. By doing so, they reset their force in a way that will allow them to surge over 50% more combat power on short notice to deal with future contingencies.

The result? Today, six aircraft carrier strike groups are available to respond immediately to any crisis that might confront us. That capability, coupled with the application of new technologies, gives the Navy growing combat power and greater flexibility to deal with global crises – *all while the Navy is moderately reducing the size of its active force.*

The Army, by contrast, has put forward a plan that, by using emergency powers, will increase the size of its active force by roughly 6% or up to 30,000 troops above authorized end strength. But because of *the way* they will do it, General Schoomaker estimates the Army will be adding not 6%, but up to 30% more combat power.

This is possible because, instead of adding more divisions, the Army is moving away from the Napoleonic division structure designed in the 19th century, focusing instead on creating a 21st century “Modular Army” made up of self-contained, more self-sustaining brigades that are available to work for any division commander.

So, for example, in the event of a crisis, the 4th Infantry Division commander could gather two of his own brigades, and combine them with available brigades from, say, the 1st Armored Division and the National Guard, and deploy them together. The result of this approach is jointness *within* the service, as well as *between* the services. And that jointness – combined with other measures – means that 75% of the Army’s brigade structure should always be ready in the event of a crisis.

The Army’s plan would increase the number of active and reserve brigades significantly over the next four years. But because we will be using emergency powers, we will have the flexibility to reduce the number of troops if the security situation permits – so the Army would not be faced with the substantial cost of supporting a larger force as the security situation and the efficiencies permit.

Yet even if the security situation, and our progress in transformation, were to permit the Army to draw down the force, the new way they are arranging their forces will ensure the U.S. still has more ground combat power – more capability.

So we have two different approaches:

- In one case, the Navy is reducing force levels while increasing capability;
- In the other, the Army is increasing troop levels – but doing so in a way that will significantly increase its capability.

- And in both cases, the increase in capability of each service will be significant.

The point is: our focus needs to be on more than just numbers of troops. It should be on finding ways to better manage the forces we have, and by increasing the speed, agility, modularity, capability, and usability of those forces.

DoD INITIATIVES

Today, using authorities and flexibility Congress has provided, DoD has several dozen initiatives underway to improve management of the force, and increase its capability.

Among other things:

- We are investing in new information age technologies, precision weapons, unmanned air and sea vehicles, and other less manpower-intensive platforms and technologies.
- We are working to increase the jointness of our forces, creating power that exceeds the sum of individual services.
- We are using new flexibility under the Defense Transformation Act to take civilian tasks currently done by uniformed personnel and convert them into civilian jobs – freeing military personnel for military tasks.
 - This year, we will begin to move 10,000 military personnel out of civilian tasks and return them to the operational force – effectively increasing force levels by an additional 10,000 service members in 2004. An additional 10,000 conversions are planned for 2005.
- We have begun consultations with allies and friends about ways to transform our global force posture to further increase capability.

We are also working to rebalance the active and reserve components. We are taking skills that are now found almost exclusively in reserve components and moving them into the active force, so that we are not completely reliant on the Guard and Reserve for those needed skills. And in both the active and reserve components, we are moving forces out of low demand specialties, such as heavy artillery, and into high-demand capabilities such as military police, civil affairs, and special operations forces.

Already, in 2003, the services have rebalanced some 10,000 positions within and between the active and reserve components. For example, the Army is already transforming 18 Reserve field artillery batteries into military police. We intend to expand those efforts this year, with the Services rebalancing an additional 20,000 positions in 2004, and 20,000 more in 2005 – for a total of 50,000 rebalanced positions by the end of next year.

We are also working to establish a new approach to military force management called "Continuum of Service." The idea is to create a bridge between the Active and Reserve Components - allowing both active and reserve forces greater flexibility to move back and forth between full-time and part-time status, and facilitating different levels of participation along that continuum.

Under this approach, a Reservist who normally trains 38 days a year could volunteer to move to full time service for a period of time - or some increased level of service between full-time and his normal reserve commitment, offering options for expanded service that do not require abandoning civilian life. Similarly, an active service member could request transfer into the Reserve component for a period of time, or some status in between, without jeopardizing his or her career and opportunity for promotion. And it would give military retirees with needed skills an opportunity to return to the service on a flexible basis - and create opportunities for others with specialized skills to serve, so we can take advantage of their experience when the country needs it.

For example, Coalition forces in Iraq need skilled linguists - so under the Continuum of Service approach we have recruited 164 Iraqi-Americans into a special Individual Ready Reserve program, and expect to deploy the first program graduates to Iraq this spring.

The "Continuum of Service" would allow the Armed Forces to better take advantage of the high-tech skills many Reservists have developed by virtue of their private sector experience - while at the same time creating opportunities for those in the Active force to acquire those kinds of skills and experiences. It encourages volunteerism, and improves our capability to manage the military workforce in a flexible manner, with options that currently exist only in the private sector.

We have also been working to fix the mobilization process. We have worked hard over the past year to add more refined planning tools to the process, and make it more respectful of the troops, their families, and their employers. Among other things:

- We have tried to provide earlier notifications, giving troops as much notice as possible before they are mobilized, so they can prepare and arrange their lives before being called up;
- We have worked to ensure that when they are called up, it is for something important and needed - and not to replace someone in task that could wait until a contingency is over;
- We've tried to ensure that the number of people who have been recently mobilized is as small as possible, and that as many of the forces as possible that are remobilized or extended are volunteers;

- We have tried to limit tours, and give the troops some certainty about the maximum length of their mobilization and when they can expect to resume civilian life. We are doing better, but in my opinion, the process is still not good enough.

And we are working each day to make the process better, and more respectful of the brave men and women who make up the Guard and Reserve.

As you can see, we have a number of initiatives underway that we are confident will improve the management and treatment of the Guard and Reserve forces.

The men and women who make up the Guard and Reserve are all volunteers. They signed up because they love their country, and want to serve when the country needs them.

A number of you on this Committee have served in the Guard and Reserve, as have I. Each of us knew when we signed up, it was not to serve one weekend a month and two weeks active duty. We signed up so that if war was visited upon our country, we would be ready to leave our work and family, and become part of the active duty force.

Well, on September 11th, war was visited on our country. Our nation was attacked – more than 3,000 innocent men, women, and children were killed in an instant. And at this moment, in caves and underground bunkers half-a-world away, dangerous adversaries are planning new attacks – attacks they hope will be even more deadly than the one on September 11th.

We are a nation at war. If we were not to call up the Guard and Reserves today, then why would we want to have them at all? Why were we asking them to sacrifice time with their families every month to train? And why are the taxpayers paying for postservice benefits, including healthcare and retirement pay, that add up to between \$250,000 and \$500,000 per reservist?

This is the purpose of the Guard and Reserve. It is what they signed up for. And I know that the vast majority are eager to be in the fight – a fact born out by the large number of those who stepped forward and volunteered to be mobilized for service in Iraq.

Our challenge – our responsibility -- is to do everything we can to see that they are treated respectfully, managed effectively, and that they have the tools they need to win today's war, and to deter future wars.

We are working to do just that -- to better manage the force, and to transform the force to make it more capable for the 21st century.

Today, with authority granted by Congress, DoD has the flexibility to adjust troop levels, as the security situation requires.

- We have authority to increase or decrease, as need arises.
- We are using that authority; and
- We are working on a number of new initiatives that will allow us to better manage and transform the force.

However, we believe that a statutory end strength increase would take away our current flexibility to manage the force:

- First, if the current increased demand turns out to be a spike and if we are successful in the transformation and rebalancing initiatives underway, the Department would face the substantial cost of supporting a larger force when it may no longer be needed – pay and benefits, such as lifetime healthcare, for each service member added, not to mention the additional costs in equipment, facilities, and force protection.
- Second, if we permanently increase statutory end strength, instead of using the already available emergency powers, we will have to *take the cost out of our top line*. That will require cuts in other parts of the defense budget -- crowding out investments in the very programs that will allow us to manage the force and make it more capable.

None of us has a crystal ball to see into the future. You have given us the authority to adjust the size of the force, and the flexibility to deal with unknowns. We have been using that authority over the past two plus years, even as we work to implement comprehensive measures to better manage the force. I urge Congress to not lock us into a force size and structure that may or may not be appropriate in the period ahead.

Instead, help us to support the Armed Services with the transformational initiatives they now have underway; help us rebalance the active and reserve force, and give the troops more options to contribute along an expanded continuum of service; help us add capability, and transform the force for the future.

2005 BUDGET

The President's 2005 budget requests the funds to do just that.

The President's first defense budgets were designed while our defense strategy review was still taking place. It was last year's budget – the 2004 request – that was the first to fully reflect the new defense strategies and policies.

One of the key budget reforms we implemented last year is the establishment of a 2-year budgeting process in the Department of Defense – so that the hundreds of people who invest time and energy to rebuild major programs every year can be freed up and not be required to do so on an annual basis, and can focus more effectively on implementation.

The 2005 budget before you is, in a real sense, a request for the second installment of funding for the priorities set out in the President's 2004 request.

We did not rebuild every program. We made changes to just 5% of the Department's planned 2005 budget, and then only on high-interest and must-fix issues -- and *then* only when the costs incurred to mitigate risks could be matched by savings elsewhere in the budget.

The President's 2005 budget requests continued investments to support the six transformational goals we identified in our 2001 defense review:

- First, we must be able to defend the U.S. homeland and bases of operation overseas;
- Second, we must be able to project and sustain forces in distant theaters;
- Third, we must be able to deny enemies sanctuary;
- Fourth, we must improve our space capabilities and maintain unhindered access to space;
- Fifth, we must harness our advantages in information technology to link up different kinds of U.S. forces, so they can fight jointly; and
- Sixth, we must be able to protect U.S. information networks from attack -- and to disable the information networks of our adversaries.

In all, in 2005, we have requested \$29 billion for investments in transforming military capabilities that will support each of these critical objectives.

The President's 2005 budget requests \$10.3 billion for missile defense, including:

- \$9.2 billion for the Missile Defense Agency -- an increase of \$1.5 billion above the President's 2004 request; and
- \$1 billion for Patriot Advanced Capability-3, the Medium Extended Air Defense System, and other short and medium range capabilities;

The budget also includes \$239 million in funding for accelerated development of Cruise Missile Defense, with the goal of fielding an initial capability in 2008;

The 2005 budget request includes critical funds for Army Transformation, including:

- \$3.2 billion to support continued development of the Future Combat Systems -- an increase of \$1.5 billion over the 2004 budget; and
- \$1.0 billion to fund continued deployment of the new Stryker Brigade Combat Teams, such as the one now serving in Iraq.

We have also requested additional funds to strengthen intelligence, including critical funds to increase DoD human intelligence (HUMINT) capabilities, persistent surveillance, as well as technical analysis and information sharing to help us better "connect the dots."

To enhance our communications and intelligence activities, we are requesting:

- \$408 million to continue development of the Space Based Radar (SBR) which will bring potent and transformational capabilities to joint warfighting -- the ability to monitor both fixed and mobile targets, deep behind enemy lines and over denied areas, in any kind of weather. SBR is the only system that can provide such capability.
- \$775 million for the Transformational Communications Satellite (TSAT) which will provide the joint warfighter with unprecedented communication capability. To give you an idea of the speed and situational awareness the TSAT will provide, consider: transmitting a Global Hawk image over a current Milstar II, as we do today, takes over 12 minutes -- with TSAT it will take less than a second.
- \$600 million for the Joint Tactical Radio System, to provide wireless internet capability to enable information exchange among joint warfighters; and

The budget also requests \$700 million for Joint Unmanned Combat Air Systems (J-UCAS) -- a program that consolidates all the various unmanned combat air vehicle programs, and focuses on developing a common operating system.

The budget requests \$14.1 billion for major tactical aircraft programs, including:

- \$4.6 billion for the restructured Joint Strike Fighter (JSF) program;
- \$4.7 billion to continue procurement of the F/A-22;
- \$3.1 billion to continue procurement of the F/A-18E/F; and
- \$1.7 billion to support development and procurement of 11 V-22 aircraft.

The budget requests funds for Navy fleet transformation, including \$1 billion to continue funding the new CVN-21 aircraft carrier, and \$1.6 billion to continue development of a family of 21st century surface combatants including the DDX destroyer, the littoral combat ship, and the CG(X) cruiser.

We have requested \$11.1 billion to support procurement of 9 ships in 2005. Fiscal 2005 begins a period of transition and transformation for shipbuilding as the last DDG 51 destroyers are built, and the first DD(X) destroyer and Littoral Combat Ship are procured. This increased commitment is further shown in the average shipbuilding rate

for fiscal 2005-2009 of 9.6 ships per year. This will sustain the current force level and significantly add to Navy capabilities.

In all, the President has requested \$75 billion for procurement in 2005 and \$69 billion for Research, Development, Testing and Evaluation – funds that are vital to our transformation efforts.

Another area critical to transformation is joint training. Last year, Congress approved funding to establish a new Joint National Training Capability (JNTC), an important initiative that will fundamentally change the way our Armed Forces train for 21st century combat.

We saw the power of joint war fighting in Operation Iraqi Freedom. Our challenge is to bring that kind of joint war fighting experience to the rest of the forces, through both live and virtual joint training and exercises. Thanks to the funds authorized in the 2004 budget, the JNTC's initial operating capability is scheduled to come online in October of this year. We have requested \$191 million to continue and expand the JNTC in 2005.

With your help, we have put a stop to the past practice of raiding investment accounts to pay for the immediate operation and maintenance needs. The 2005 request continues that practice. We have requested full funding for the military's readiness accounts, providing \$140.6 billion for Operation and Maintenance (O&M) including \$43 billion for training and operations. These funds are critical to transformation – because they allow us to pay today's urgent bills without robbing the future to do so.

We have also requested funds to support pay and quality of life improvements for the troops -- including a 3.5 percent military base pay raise. We have requested funds in the 2005 budget that will also help the Department keep its commitment to eliminate 90% of inadequate military family housing units by 2007, with complete elimination projected for 2009. And we have requested funds to complete the elimination of out-of-pocket housing costs for military personnel living in private housing. Before 2001, the average service member had to absorb over 18 percent of these costs. By the end of FY 2005, it will be zero. These investments are important to the troops, and also to their families, who also serve – and deserve to live in decent and affordable housing.

I am also appointing a commission to conduct a comprehensive review of military compensation and benefits, with a view toward simplifying and improving them. Today, we have too many pay categories that serve overlapping purposes, or do not provide incentives where they are most needed. Before making major changes, I urge you to allow the Department to first develop a comprehensive and integrated set of compensation proposals, which we will submit to you next year.

We are also making progress in getting our facilities replacement and recapitalization rate in proper alignment. When we arrived in 2001, the Department was replacing its buildings at a totally unacceptable average of once every 192 years. Today, we have moved the rate down for the third straight year, though it is still too high – to an average

of 107 years. The 2005 budget requests \$4.3 billion for facilities recapitalization, keeping us on track toward reaching our target rate of 67 years by 2008. And we have funded 95 percent of facilities maintenance requirements – up from 93 percent in FY 2004.

The budget also supports our continuing efforts to transform the way DoD does business. With the passage of the Defense Transformation Act last year, we now have the needed authority to establish a new National Security Personnel System, so we can better manage DoD's civilian personnel. Initial implementation will begin this year, and cover roughly 300,000 of DoD's 746,000 civilian employees.

Yet, while progress has been made, the Defense Department still remains bogged down by bureaucratic processes of the industrial age, not the information age. We are working to change that. To help us do so, we have requested funds for a Business Management Modernization Program that will help us overhaul DoD management processes and the information technology systems that support them.

We have also requested that Congress nearly double Department's General Transfer Authority, from the current limit of \$2.1 billion to \$4 billion, or roughly 1% of the DoD budget. In an age when terrorists move information at the speed of an email, money at the speed of a wire transfer, and people at the speed of a commercial jetliner, it is critical that we have the ability to shift funds between priorities.

We also need your continuing support for two initiatives that are critical to 21st century transformation: the Global Posture Review, and the Base Realignment and Closure (BRAC) Commission round scheduled for 2005.

Mr. Chairman, I cannot overemphasize the importance of proceeding with both of these initiatives.

We need BRAC to rationalize our infrastructure with the new defense strategy, and to eliminate unneeded bases and facilities that are costing the taxpayers billions of dollars to support.

And we need the global posture review to help us reposition our forces around the world – so they are stationed not simply where the wars of the 20th century ended, but rather are arranged in a way that will allow them to deter, and as necessary, defeat potential adversaries who might threaten our security, or that of our friends and allies, in the 21st century.

These two efforts are inextricably linked.

It is critical that we move forward with both BRAC and the Global Posture Review – so we can rationalize our foreign and domestic force posture. We appreciate Congress' decision to authorize a BRAC round in 2005 – and will continue to consult with you as we proceed with the global posture review.

CONCLUSION

Mr. Chairman, the President has asked Congress for a total of \$401.7 billion for fiscal year 2005 -- an increase over last year's budget. Let there be no doubt: it is a large amount of the taxpayer's hard-earned money. Such investments will likely be required for a number of years to come -- because our nation is engaged in a struggle that could well go on for a number of years to come.

Our objective is to ensure that our Armed Forces remain the best trained, best equipped fighting force in the world -- and that we treat the volunteers who make up the force with respect commensurate with their service, their sacrifice, and their dedication.

Their task is not easy: they must fight and win a global war on terror that is different from any our nation as fought before. And they must do it, while at the same time preparing to fight the wars of 2010 and beyond -- wars which may be as different from today's conflict, as the global war on terror is from the conflicts of the 20th century.

So much is at stake.

Opportunity and prosperity are not possible without the security and stability that our Armed Forces provide.

The United States can afford whatever is necessary to provide for the security of our people and stability in the world. We can continue to live as free people because the industriousness and ingenuity of the American people have provided the resources to build the most powerful and capable Armed Forces in human history -- and because we have been blessed with the finest young men and women in uniform -- volunteers all -- that the world has known.

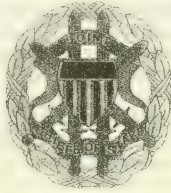
They are courageous, they are selfless, and they are determined. They stand between this nation and our adversaries, those who wish to visit still further violence on our cities, our homes and our places of work. The men and women of the Armed Forces are hunting the enemies of freedom down -- capturing or killing them in the far corners of the world, so they will not kill still more innocent men, women, and children here at home.

We are grateful to them and proud of them. We stand ready to work with you to ensure they are treated with the dignity they deserve, and the respect they earn every day.

Thank you, Mr. Chairman. I'd be pleased to respond to questions.

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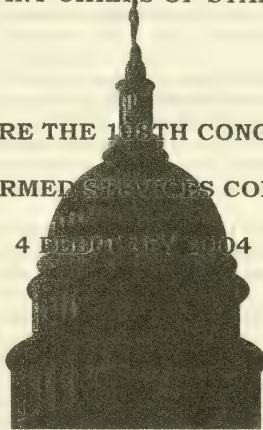


**POSTURE STATEMENT OF
GENERAL RICHARD B. MYERS, USAF
CHAIRMAN OF THE
JOINT CHIEFS OF STAFF**

**BEFORE THE 108TH CONGRESS
HOUSE ARMED SERVICES COMMITTEE**

4 FEBRUARY 2004

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I am privileged to report to Congress on the state of the United States Armed Forces.

As they were a year ago, our Nation's Soldiers, Sailors, Airmen, Marines and Coastguardsmen are currently operating within our borders and around the globe with dedication, courage and professionalism, alongside our Coalition partners, to accomplish a variety of very demanding missions. Global terrorism remains a serious threat, and the stakes in the GLOBAL War on Terrorism remain high.

Over the past year, I have told you that with the patience, will, and commitment of our Nation we would win the War on Terrorism. The support we have received from the Congress has been superb. From Congressional visits to deployed personnel, to support for transformational warfighting programs, to funding for security and stability operations, to improved pay and benefits for our troops, your support for our servicemen and women has enabled us to make significant progress in the War on Terrorism.

We are winning. Saddam Hussein no longer terrorizes the Iraqi people or his neighbors; he is in custody awaiting justice. The Iraqi people are well on their way to establishing a prosperous and peaceful future. They have already assumed a significant role in providing for their own security, and the list of important accomplishments in every sector—education, medical care, business, agriculture, energy, and government, to name a few—is long and growing. We have made substantial progress in Afghanistan as well. The

recent Constitutional Loya Jirga is an encouraging example of democracy in action. In both countries, as in the Horn of Africa and other areas, US and Coalition personnel work together to capture or kill terrorists, while at the same time improving infrastructure and economic conditions so that peace and freedom can take hold.

Despite the operational demands on our forces, we remain ready to support the President's National Security Strategy to assure our allies, while we dissuade, deter and defeat any adversary. The draft *National Military Strategy* (NMS), developed in consultation with the Service Chiefs and Combatant Commanders describes the ways we will conduct military operations to protect the United States against external attack and aggression, and how we will prevent conflict and surprise attack and prevail against adversaries. The strategy requires that we possess the forces to defend the US homeland and deter forward in four critical regions. If required, we will swiftly defeat the efforts of two adversaries in an overlapping timeframe, while having the ability to "win decisively" in one theater. In addition, because we live in a world marked by uncertainty, our forces must also be prepared to conduct a limited number of lesser contingencies while maintaining sufficient force generation capabilities as a hedge against future challenges.

We appreciate your continued support giving our dedicated personnel the warfighting systems and quality of life they deserve. Our challenge for the coming year and beyond is to stay the course in the War on Terrorism as we

continue to transform our Armed Forces to conduct future joint operations. We cannot afford to let our recent successes cause us to lose focus or lull us into satisfaction with our current capabilities. The war is not over, and there is still dangerous work to do. To meet this challenge, we continue to focus on three priorities: winning the War on Terrorism, enhancing joint warfighting, and transforming for the future.

War on Terrorism

Twenty-eight months after the terrorist attacks on September 11, defeating global terrorism remains our military's number one priority. We will continue to fight this war on many different fronts, because terrorism comes in many different forms. The stakes remain high, but our resolve remains firm.

The more experience we gain in this fight, the more we recognize that success is dependent on a well-integrated military, interagency and coalition effort. This means the coordinated commitment of the military, diplomatic, informational, economic, financial, law enforcement, and intelligence resources of our Nation – all instruments of our national power. On the international level, Coalition military and interagency cooperation has been remarkable. In Iraq, Coalition forces from 34 nations are working hard to bring peace and stability to a country brutalized for 3 decades. In Afghanistan, 37 nations are working to secure a democratic government and defeat al Qaida and remnants

of the Taliban regime, with NATO assuming an increasing role in stability and reconstruction efforts.

We have made significant strides coordinating US Government efforts within the interagency and with our Coalition partners. One of the ways we have been successful at coordinating interagency efforts is through venues such as the Strategy Working Group, the Senior Leadership Review Board and the Regional Combating Terrorism Strategies. Continued success in this war will depend largely on our ability to organize for a sustained effort and coordinate seamlessly among all government agencies. An even more demanding task is coordinating the efforts of our Coalition partners, now numbering more than 90 nations. Coalition contributions have been significant, ranging from combat forces, to intelligence, logistics and medical units. They have complemented our existing capabilities and eased the requirement for current US forces in Iraq and Afghanistan. Coordinating the efforts of our Coalition partners is critical to combating the remaining terrorist threat.

The al Qaida network, though damaged, remains resilient, adaptable and capable of planning and executing more terrorist acts, such as the attacks in Saudi Arabia and Turkey toward the end of 2003. Al Qaida continues to receive support and recruit operatives from sympathizers around the world.

Al Qaida will increasingly focus on Iraq as today's jihad. As the network consolidates its efforts in Iraq, the threats of attacks will grow. In fact, four al Qaida audiotapes released in 2003 prominently mentioned Iraq, demonstrating Usama Bin Ladin's emphasis on staging attacks there. Ansar al-Islam also remains a formidable threat in Iraq, despite damage inflicted by Coalition forces during OIF. Its key leadership remains at large and continues to plot attacks against US and Coalition interests.

Other terrorist groups also pose significant threats to US interests, and we believe that some of these terrorist groups have developed contingency plans for terrorist attacks against US interests abroad. The Revolutionary Armed Forces of Colombia continue to conduct terrorist attacks throughout Colombia. They currently hold three US hostages captured in early 2003, and directly threaten efforts to bring peace, stability and an end to the drug trade in Colombia. Jemaah Islamiyah in Southeast Asia is another terrorist group that shares al Qaida's goals and methods, adding to the transnational terrorist threat. The intelligence that led to recent heightened alert levels in the US show that the threat of a major terrorist attack against the US homeland remains very real.

Disturbingly, terrorist groups continue to show interest in developing and using Chemical, Biological, Radiological and Nuclear (CBRN) weapons in terrorist attacks. Terrorists have attempted to acquire military-grade

materials, and interest in CBRN weapons and materials by several groups is well documented.

The Coalition's efforts in the War on Terrorism (WOT) represent the significant first step in curtailing WMD proliferation. Our strategy for combating WMD calls for the Combatant Commanders to detect, deter, deny, counter, and if necessary, interdict WMD and its means of delivery. Combating WMD relies on a continuum of interrelated activities, employing both defensive and offensive measures, and confronting the threat through mutually reinforcing approaches of nonproliferation, counterproliferation, and consequence management. This multi-tiered and integrated effort will greatly reduce the threat of WMD falling into the hands of terrorists. Following the liberation of Iraq and the collapse of Saddam Hussein's brutal regime, the countries of Iran, and most recently, Libya have been more forthcoming about their illegal WMD programs to the international community. This should also help to apply international pressure on North Korea and its nuclear declarations.

To counter the potential threat of the proliferation of WMD, the President's Proliferation Security Initiative (PSI) is the most far-reaching attempt to expand our efforts to impede and interdict the flow of weapons of mass destruction, their means of delivery, and related materials, between state and non-state actors of proliferation concern. It is part of a larger effort to

counter proliferation of weapons of mass destruction and missile-related technology by interdicting shipments of these materials by air, land, and sea. To date, there are 11 partner nations actively participating in PSI operations and exercises. Our goal is to expand PSI participation in order to be postured to respond quickly to assist in the interdiction of the proliferation trade.

OIF and OEF Operations

US Central Command (CENTCOM) is still center-stage in the WOT, and doing a magnificent job under difficult circumstances. Iraq is well on its way to becoming a sovereign country. Our Coalition is strong, with 34 countries directly supporting stability and security in Iraq. As part of the 15 November 2003 agreement, the US, our Coalition partners, and the Iraqi Governing Council are forging plans and agreements to allow for the transfer of sovereignty to Iraq this June. Since the end of major combat operations, we have made steady progress towards meeting our objectives. Essential services are being restored, and a political transformation is already underway in Iraq. Security in Iraq is steadily improving, and we are transitioning to a time when the face of security in Iraq is an Iraqi face, and Coalition forces are in the background.

Today, Coalition forces continue to rout out remnants of the former regime attempting a desperate last stand. Using intelligence provided by Iraqi

citizens, we are conducting thousands of raids and patrols per week alongside Iraqi security forces. We have seized massive amounts of ammunition, and captured or killed 45 of the 55 most wanted former Iraqi leaders, as well as thousands of other Saddam loyalists, terrorists and criminals. We have captured or killed all of the top 5, most notably Saddam Hussein and his sons, Uday and Qusay.

The Iraq Survey Group is continuing its examination of Saddam's WMD programs by interviewing Iraqi citizens, examining physical evidence, and analyzing records of the old regime. We know that this process will take time and patience, and must be able to stand up to world scrutiny.

Our Soldiers, Sailors, Airmen, Marines and Coastguardsmen in Iraq are now supporting over 203,000 Iraqi security forces. The Iraqi police continue to expand their training pipelines in Jordan and Iraq, producing hundreds of trained officers each month. We are well on track to meet our goal of 71,000 Iraqi police by August 2004. The Facilities Protective Service has fewer training requirements and has already reached its goal of 50,000 members. They have taken over security from Coalition Forces at most fixed site locations, such as power lines and parts of the oil infrastructure – key targets for sabotage. Our goal for the Border Enforcement Force is to have 25,700 members by December 2004. They will relieve Coalition forces guarding checkpoints along Iraq's border. US military forces continue to vet former members of the Iraqi military

and other security services for employment in the new Iraqi security services, but Iraqis are formally in charge of de-Ba'athification efforts and have established guidelines for that process. The Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan 2004 that Congress approved last year was instrumental in enabling our planned accelerated development of these security forces, and we are grateful for that support.

The New Iraqi Army continues to train additional battalions. Iraq's Army needs more than just military skills. They must have a deep-rooted sense of professionalism, focused on protecting all Iraqis while operating firmly under civilian control. The new army will reflect Iraq's religious, regional, and ethnic mix, will be apolitical, and indoctrinated in their role of defense and security. We will spend the time and resources necessary to ensure the Iraqi Army is a well-trained and highly capable force.

The linchpin of our security efforts during this transition period is the Iraqi Civil Defense Corps (ICDC), which is currently planned for a force of 40,000 by the summer of 2004. The ICDC is a light military force, created to deal with the current stability issues in Iraq. As we have done from the beginning, we continue to reassess the security environment in Iraq. These security assessments could change force goals for the various components of Iraqi security forces. With the resources allocated from the supplemental, we

have made great headway in providing them with vehicles, uniforms and other gear, including communications systems that will enable them to succeed in their critical tasks. Military commanders in Iraq tell me that the Iraqi Civil Defense Corps has been highly effective, and as such, we increased the goal from 18 to 36 Battalions and provided \$124 million extra funding to reinforce the success of this Iraqi Security Force.

These supplemental funds also provided commanders with one of the most successful tools in winning the hearts and minds of the Iraqi and Afghan people, the Commander's Emergency Response Program (CERP). These funds provide commanders and the resourceful young troops they lead with the means to respond to urgent humanitarian and stabilization and reconstruction needs such as water and sanitation projects, irrigation and small-scale agriculture assistance, school house repairs and civic cleanup projects. This program is an invaluable tool for establishing relationships with the Iraqi and Afghan people, assisting in economic development, and creating a safer environment.

The United Nations and the international community are also playing vital roles in the political and economic transformation of Iraq. Over 70 countries and international organizations including the US, pledged \$33 billion at the Madrid Donors Conference. UN Security Council Resolution 1511 called upon Iraqis, initially through the Iraqi Governing Council, to determine the course and speed of their political reformation. In response, the Iraqi

Governing Council has submitted its plan and timetable for selecting a transitional National Assembly and interim government, drafting a constitution and holding elections. It is an ambitious schedule, but one that they can accomplish with our help.

In addition to security and political progress, we continue to help Iraq rebuild the infrastructure required for economic progress and a stable democracy. The Coalition Provisional Authority (CPA) and Task Force Restore Iraqi Electricity are managing a comprehensive maintenance and upgrade program designed to improve power generation, transmission, efficiency and capacity to meet the future needs of the Iraqi people. Through the coordinated efforts of the Army Corps of Engineers and the Iraqi Ministry of Electricity, we met the initial October 2003 goal of 4,400 MW of peak power generation. The next goal is 6,000 MW of power by 1 June 2004. In order to meet this goal the CPA developed the Power Increase Plan to offset recent system failures from severe weather and continuing sabotage and looting. This plan increases electrical power generation through an increase of generator rehabilitation and maintenance projects, the increase of new power generators to the national power grid, increasing electrical power imports from other nations, and improving system-wide power transmission and distribution. Other progress continues throughout Iraq in potable drinking water projects, supplying hospitals with medical supplies, providing school supplies for Iraqi school

children and rebuilding classrooms. Living conditions are improving everyday in Iraq, as many of you have seen for yourselves on recent trips to Iraq.

In Afghanistan, our military strategy combines both combat and stability operations. US and Coalition forces are conducting combat operations to rid Afghanistan of al Qaida and Taliban remnants, and stability operations to assist in building Afghan security institutions, governing bodies, and economic prosperity. A few weeks ago the interim Afghan government held their first Constitutional Loya Jirga, approving a new constitution for Afghanistan.

Security and stability operations are being conducted by 11 Provincial Reconstruction Teams (PRTs) operating throughout Afghanistan, with 1 more PRT planned for this year. PRT representatives are making great strides improving the quality of life for the Afghan people by building schools, clinics, wells, roads and other community infrastructure projects. Reopening the Kabul-to-Kandahar road was a major success. Our efforts have increased security and stability in Afghanistan.

In August 2003, NATO assumed responsibility for the International Security Assistance Force (ISAF) in Afghanistan. In October 2003 the United Nations Security Council passed a resolution extending ISAF's mission in Afghanistan for one year, and authorizing ISAF to operate outside Kabul and its environs. In February 2004, a Canadian officer will assume command of

the NATO ISAF headquarters from the German commander. NATO's role in Afghanistan is expanding. The first phase of NATO expansion included transfer of responsibility for the US PRT at Konduz to NATO, with Germany as lead nation, and temporary NATO deployments outside Kabul. NATO is planning future ISAF expansion throughout Afghanistan.

The Afghan National Army (ANA), now numbering 5,785 trained personnel, is at the forefront of efforts to improve security and stability and establish a strong national identity among the Afghan people. They are well on their way to reaching the annual throughput goal of 10,800 personnel by June 2004. To date the ANA has performed well, fighting side-by-side with US and Coalition forces during recent successful combat operations to capture or kill Taliban, Hezb-I-Islami-Gulbiddin, and al Qaida elements. Most of the funding provided in the Afghanistan portion of the FY-04 Emergency Supplemental is being targeted to efforts that strengthen the ANA, such as new infrastructure and equipment that will also improve recruitment and retention efforts. These efforts include increased pay, plans to field 15 new regional recruiting centers by this spring, and establishing military benefit packages.

Congress has demonstrated its commitment to the future of Afghanistan, but there is still much more the international community could and should contribute to the reconstruction of Afghanistan. The Afghan government, with the help of the US government, is seeking more donations for several

infrastructure projects such as a new Ministry of Defense headquarters, a hospital in Kabul, and a military academy, as well as donations of certain equipment, weapons and ammunition.

In neighboring Pakistan, working closely with President Musharraf, we have been able to increase coordination among US, Coalition, Afghan and Pakistani forces along the Pakistan-Afghanistan border. The Pakistani government has taken some initiatives to increase their military presence on the border, such as manned outposts, regular patrols and security barriers, including areas of the Pakistan Federally Administered Tribal Areas, an area historically avoided by Pakistan's military forces. The Tripartite Commission consisting of US, Afghan and Pakistan representatives concluded its fifth session in December, and among its accomplishments was the establishment of a sub-committee to investigate means to prevent cross-border conflict. US/Pakistani military cooperation continues to improve, and we are helping Pakistan identify equipment requirements for their counter-terrorism efforts.

Operations in the Horn of Africa remain an essential part of the WOT. The Joint Task Force Horn of Africa at Camp Lemonier, Djibouti is conducting counter-terrorist and civil affairs operations in Eastern Africa. Although these operations have impacted al Qaida's influence in the region, a continued military presence is essential to stop the movement of transnational terrorists and demonstrating to the region our resolve to wage the WOT in Africa.

In support of OEF – Philippines, US Pacific Command (PACOM) used congressionally approved funds this past year to continue counter-terrorism training for the Armed Forces of the Philippines. A small contingent of US military personnel remains in the southern Philippines managing these efforts and other humanitarian assistance projects.

Other Overseas Operations

US European Command (EUCOM), in accordance with SECDEF guidance, has developed a concept for the reduction of US forces supporting US Kosovo Force in the Province of Kosovo, and US Stability Forces in Bosnia-Herzegovina. Implementation of this plan is dependent on the North Atlantic Council's Periodic Mission Review recommendation for the Balkans.

When EUCOM concludes the Georgia Train and Equip Program in May 2004, they will meet their objective of improving Georgia's ability to confront transnational terrorism operating within Georgia. Training is being provided for two staffs, four battalions and one mechanized/armor company team. To build on this success and momentum, EUCOM is reviewing a possible follow-on Georgia Capabilities Enhancement Program to sustain and improve the Georgian military's newly acquired capabilities, and demonstrate a continued US commitment to the Georgian Armed Forces' development.

Maritime Interdiction Operations took on a new global focus last year, beyond the historical CENTCOM and EUCOM missions, when the President approved Expanded Maritime Interception Operations to interdict terrorists and their resources globally. Expanded Maritime Interception Operations are now significant mission areas for every deployed battle group, especially along maritime transit lanes and choke points. Results from these maritime operations, such as in the Mediterranean Sea, have produced lower insurance premiums in the shipping industry, considerably less illegal immigration in countries such as Spain, Italy, and Greece, and a reduction in crime at sea. Maritime Interdiction Operations are a truly international effort. German and Spanish led multi-national naval forces patrol the CENTCOM area of responsibility, and this past year Coalition naval forces have been responsible for boarding over thirty ships within EUCOM's area of responsibility.

US Southern Command (SOUTHCOM) continues to support counter-narcotics trafficking and counter-terrorism efforts in the Caribbean and Central and South America. They are assisting the Colombian military in its fight against designated terrorist organizations by providing military advice, training, and equipment with an emphasis on the pursuit of narco-terrorist leadership, counter-narcotics tactics, and security for major infrastructure such as the Cano Limon pipeline. SOUTHCOM supported the formation of the Colombian Army Special Operations Command and is continuing its efforts to

train the Commando Battalion, and a Ranger-type unit. Training was successfully completed for the first Colombian Commando Battalion, and training has begun for the second battalion. The Colombian military has been very successful over the past year in their fight against narco-terrorism. The Tri-Border Area between Argentina, Brazil and Paraguay is another focal point for drug and arms trafficking, money laundering, document fraud and Islamic terrorist-supported activities in South America. US-sponsored multilateral exercises are promoting security, improving effective border control, and denying terrorist groups such as Hizballah, Hamas and other Middle Eastern terrorist safe havens, restricting their ability to operate.

SOUTHCOM is also providing nearly 2000 military personnel to manage detainee operations at Guantanamo Bay, Cuba. We operate in close coordination with several US Agencies. We are constantly reviewing the status of each detainee, and to date have transferred 87 of the detainees who were determined to be of no intelligence or law enforcement value, or no threat to the US or its interests, back to their countries of origin for release. Four detainees have been transferred back to their country of origin, under an agreement for continued detention by that country. More await similar agreements to allow for transfer or continued detention. A number of detainees have been assessed as high intelligence and or law enforcement value, or pose a significant threat to US interests. These detainees will remain for further exploitation. Other cases are being considered for referral to the Military Commission, although no

one has been referred to date. Information gleaned from detainees, many of whom continue to make threats against Americans, has already helped prevent further terrorist attacks against the US and our allies. Furthermore, continued detention of those who pose a threat to US interests prevents those enemy combatants from returning to the battlefield.

In accordance with the Unified Command Plan 2002 Change 2 implemented last year on 1 January 2004, US Strategic Command (STRATCOM) reported significant progress in all of their new mission areas: global strike; missile defense; DOD information operations; and command, control, communications, computers, intelligence, surveillance and reconnaissance missions. Further, they are on schedule to achieve full operational capability in each of the newly assigned mission areas this year. SECDEF has already approved the Information Operations Roadmap, which has 57 wide-ranging recommendations that aid Combatant Commanders in planning and executing fully integrated information operations.

As we become more reliant upon information to conduct operations, the defense of our network is paramount. This requires properly trained people, common operating standards, and a well-stocked arsenal of Information Assurance tools. We are working diligently to centralize network operations and defense, and to formalize information sharing policy, guidance and procedures.

These steps, along with our cryptographic modernization plan, will safeguard our vital information.

We are formalizing the role of US Special Operations Command (SOCOM) in the War on Terrorism. In the near future, we will be recommending a change to the Unified Command Plan assigning SOCOM specific responsibility to coordinate DOD actions against terrorist networks. We are also drafting planning guidance that will designate SOCOM as the supported commander for planning and, when directed, executing operations against terrorist networks. These changes will provide SOCOM and all of DOD improved focus in our global effort to combat terrorism.

Current Homeland Defense Operations

Last year, US Northern Command (NORTHCOM) reached full operational capability in their mission to deter, prevent and defeat threats and aggression aimed at the US and its territories. Upon SECDEF approval, NORTHCOM can now deploy Quick Response Forces (company-sized units) and Rapid Response Forces (battalion-sized forces) to support time-sensitive missions such as defense of critical infrastructures or consequence management in support of the Department of Homeland Security (DHS). To improve interagency collaboration, DOD has been working with DHS to develop and implement the National Response Plan, a national-level, all-hazards plan that will integrate

the current family of Federal Domestic Emergency Response Plans into a single plan.

The Joint Staff has developed a CONPLAN for consequence management operations, and NORTHCOM and PACOM have developed supporting plans. NORTHCOM's Joint Task Force Civil Support maintains strong interagency relationships to integrate command and control of DOD forces with federal agencies to manage the mitigation of Chemical, Biological, Radiological and Nuclear and High-Yield Explosive (CBRNE) incidents. This past summer, DOD, Nevada National Guard and Reserve units, FEMA, 27 other Federal agencies, and Nevada State and local agencies participated in a consequence management exercise in Nevada called DETERMINED PROMISE 2003. I was thoroughly impressed by the coordination and cooperation among active and reserve component forces, and Federal, State and local authorities. We are conducting similar exercises across the country.

In regards to anti-terrorism and force protection measures, the Joint Staff is working to ensure that Combatant Commanders at home and abroad have the resources to mitigate threats and respond to emergent requirements through the Combating Terrorism Readiness Initiatives Fund. My staff is involved in developing and updating anti-terrorism standards and policies to reflect current worldwide operations and lessons learned so that we can address any vulnerabilities. We coordinate with various agencies in the areas

of training, planning, operations and intelligence sharing, all essential for developing sound anti-terrorism policies.

In an effort to improve the security of US military installations and personnel around the world, the Joint Staff has created the Antiterrorism Enterprise Portal, an evolving web-based portal that aggregates the resources and programs required to support the DOD Antiterrorism Program. This portal is fast becoming DOD's one-stop location for antiterrorism/force protection information.

A program that complements this portal capability is the Joint Protection Enterprise Network (JPEN). Operated by NORTHCOM, this network provides the means to share unclassified force protection information rapidly between military installations in the Continental United States, increasing their situational awareness and security significantly. Although currently operating only on military installations, JPEN has the potential to be expanded to share terrorist information with Federal, State and local agencies as well.

The WOT requires collecting relevant data and turning it into knowledge that will enable us to detect and preempt the plans of an elusive, skilled enemy dispersed across the globe. Although many obstacles remain, we are making significant progress in the area of information sharing. The Joint Intelligence Task Force for Combating Terrorism (JITF-CT) at DIA is a prime example of

effective intelligence cooperation in the WOT. In the area of counterterrorism, we are making significant progress toward transparency and full information sharing. JITF-CT has experts from 12 intelligence and law enforcement organizations, and JITF-CT personnel are embedded in 15 other organizations, including some forward deployed personnel.

Readiness for Future Operations

Our Nation's number one military asset remains the brave men and women serving in our Armed Forces. This past year, they demonstrated to the world their dedication, perseverance and compassion as they liberated the Iraqi people and worked to bring peace and prosperity to the region. The Administration, Congress and DOD have made raising their standards of living a top priority. The 2004 budget provided an average military pay raise of 4.15 percent and targeted increases of up to 6.5 percent for some enlisted personnel. The 2005 budget's proposed reduction of out-of-pocket housing expenses from 3.5 percent to 0 is a sound investment, as are future pay increases based on the Employment Cost Index plus .5 percent.

DOD has a focus group that continues to look at programs to enhance the combat effectiveness and morale of service and family members associated with OIF and OEF. Areas where we have made significant progress are Rest and Recuperation Leave, danger area benefits to include incentive options for

extended tours of duty in Iraq and Afghanistan, exchanges, childcare and communications initiatives.

All Services generally met or exceeded active duty and reserve component recruiting and retention goals in both Fiscal Years 2002 and 2003 and entered fiscal year 2004 with healthy Delayed Entry Program levels. However, recruiting and retention of both active and reserve personnel will continue to require attention and continued investment as we face the challenges of an improving economy and the high operations tempo associated with the war. I view all of the Quality of Life issues as inseparable from overall combat readiness, and we greatly appreciate Congressional support for all of these initiatives.

The overall readiness of our armed forces – whether forward deployed, operating in support of contingency operations, or employed in homeland defense – remains good. Our forces are the world's best trained and, possess the requisite personnel, equipment, and resources necessary to accomplish the military objectives outlined in the Strategic Planning Guidance. Challenges do exist, especially with regard to ground forces in Iraq. We are currently in the midst of rotating our combat troops in Iraq – a feat that will rival any in history. We will continue to examine force levels and size them appropriately as security dictates.

We continue to rely heavily on our Reserve and Guard personnel, who are playing critical roles in Homeland Defense, and serving with distinction around the world in the War on Terrorism. Some missions like the ones in Bosnia-Herzegovina and Kosovo are almost exclusively made up of Reserve and Guard units, and they are doing a magnificent job. We are well aware of the strains on members, their families, and their employers, and continuously seek better ways to support them.

There are several initiatives underway, collectively by DOD, the Services, Combatant Commands, and the Joint Staff to reform the mobilization process and to relieve the stress on the force. USJFCOM, in conjunction with the Services, is leading the mobilization reform effort by evaluating policy changes and identifying other solutions to streamline the mobilization/demobilization process, and preliminary recommendations are expected in early 2004. Two Operational Availability sub-studies were conducted last year and identified the Active Component/Reserve Component Mix and Low Density/High Demand assets as two areas of immediate concern to relieve stress on the Reserve Component forces. As an example, the Army has already begun converting some Reserve Component artillery forces into Military Police forces to meet one of the expected high demand roles of the foreseeable future. This, and other ongoing rebalancing efforts will ensure that active and reserve forces continue to complement each other. The Services are actively engaged in reviewing how much of a given capability they need for this new security environment, and

which capabilities belong in each component. Other key DOD areas of concern are reducing the need for involuntary mobilization of the Reserve Component early on in rapid response operations, establishing a more rigorous process for reviewing joint force requirements, and ensuring efficient use of mobilized Reserve Component personnel. A comprehensive Rebalancing the Force Report by ASD (RA) will summarize these efforts, while a study by ASD (HD) will define Reserve Component requirements for Homeland Defense.

US Armed Forces are capable of achieving all assigned objectives in the Defense Strategy. However, current stresses on the force remain considerable. The increased demands of the War on Terrorism, sustaining post-conflict operations in Iraq and Afghanistan, and other global commitments are unlikely to change significantly in the near-term. Moreover, while committed globally, our Armed Forces must continue to defend the homeland, reconstitute forces returning from contingency operations, transform to meet future challenges, strengthen joint and combined warfighting capabilities, and maintain readiness. Today, given these commitments and requirements, we are carefully managing the risk in executing an additional major combat operation.

When units return home from combat operations, they must undergo a reconstitution process, which generally means a drop in their readiness. However, this does not necessarily indicate that a unit is either unavailable for or incapable of executing part or all of their assigned wartime missions. We

have initiated new measures in the current readiness reporting system to identify Service and combatant command requirements, determine the scope of required reset actions, and develop appropriate solutions to mitigate shortfalls and manage risk. Our workload remains high, but we remain prepared to accomplish those missions assigned to us.

Army units returning from OIF I/OEF require focused maintenance efforts to return them to pre-hostility readiness levels, while continuing to meet Combatant Commanders' maintenance requirements. The Army's goal is to return OIF I/OEF active duty units to pre-deployment readiness within 6 months and reserves within 1 year after return to home station. However, some critical aviation systems may require additional time in order to complete depot level repairs. Funding was programmed from the 2004 Supplemental for these organizational and depot level maintenance requirements. Army Materiel Command is the lead agency for developing a plan to repair major equipment items from OIF I/OEF. Approximately 1,000 aviation systems, 124,400 communications & electronics systems, 5,700 combat/tracked vehicles, 45,700 wheeled vehicles, 1,400 missile systems, 6 Patriot battalions, and 232,200 various other systems are included in this repair plan. As OIF II and beyond maintenance requirements are further defined, DOD will refine estimates and update costs.

Combatant Commanders and the Services identified preferred munitions as one of their risk areas of concern via periodic readiness reporting.

Supplemental funding, as well as augmented annual budget requests, have allowed us to meet our requirement for Joint Direct Attack Munitions and laser-guided bomb kit demands. In the near term, we are focused on improving how we determine our munitions requirements. Over the long-term, we plan to field improved guided munitions systems that build on our already superb precision-delivery capabilities.

Our military training areas are facing competition from population growth, environmental laws, and civilian demands for land, sea, and airspace. The Services are proud of their success in protecting the environment, endangered species and cultural resources. We are grateful to Congress for their assistance in the FY04 Defense Authorization Act, which precluded designating certain DOD lands as critical habitat, and preserved valuable Navy training while ensuring protection of marine mammal species. Having the world's most sophisticated weapons systems and simulators cannot substitute for our most important military training activities, air, land and sea maneuver and live-fire training. Some installations, ranges, and training areas are losing critical military value because encroachment is impairing their capability to provide useful readiness and operational support. Such facilities should be reviewed during the next round of Base Realignment and Closure. We will

continue to seek Congressional support that balances environmental concerns and readiness.

Our Nuclear Readiness continues to evolve. In December 2001, the Nuclear Posture Review established a New Triad composed of Offensive Strike capabilities (both nuclear and non-nuclear), Defenses (active and passive) and Responsive Infrastructure in order to respond to a wide range of contingencies. DOD is in the midst of a Strategic Capabilities Assessment to assess the progress in fielding the New Triad and determine the number and types of forces to meet the President's goal of 1700 to 2200 operationally deployed strategic nuclear warheads by 2012.

We continue our efforts to ensure we can operate effectively in a CBRN environment, since our potential adversaries, both nation states and terrorists, seek to acquire and develop weapons of mass destruction, including biological warfare agents. Vaccinations represent an important countermeasure against biological threats and provide our military personnel with the best available protective measures. To date, approximately 695,000 military personnel have been vaccinated against anthrax and more than 520,000 military personnel have received smallpox vaccinations. The anthrax and smallpox vaccination programs are very successful, and it is imperative to develop effective countermeasures against other biological threats to protect our warfighters.

While our warfighting team has always included contractors, their involvement is increasing. The Joint Staff is leading a joint group to develop overarching DOD policy for management of contractor personnel during contingency operations.

We must also reexamine our ability to get to the fight. The Mobility Requirements Study 2005, completed in 2000, is the current baseline mobility requirements document. DOD is actively engaged in conducting a new full-scale mobility study that reflects our current defense strategy and incorporates lessons learned from OEF and OIF to further clarify strategic lift requirements. The goal is to complete a new Mobility Capabilities Study by June 2005, in time to influence preparation of POM-08.

Sustaining our overseas presence, responding to complex emergencies, prosecuting the global war on terrorism, and conducting operations far from our shores are only possible if our ships and aircraft are able to make unencumbered use of the sea and air lines of communication. Our naval and air forces must be able to take advantage of the customary, established navigational rights that the Law of the Sea Convention codifies. We strongly support US accession to the Convention.

Although C-17 production is not planned to terminate until FY-08, production of several C-17 long lead items is planned to close in FY-06. The

Air Force and DOD are studying the benefits and risks (including financial and war fighting) of continuing or terminating the C-17 long lead items production line, and plan to complete this assessment in time to inform the FY-06 POM and the Enhanced Planning Process.

Increasing costs, decreasing reliability and maintainability, and an increased need for air-refueling capability dictate modernization of the KC-135 fleet. Congress has authorized the Air Force to lease 20 and purchase 80 new Boeing 767 tanker aircraft. In early December 2003, DOD suspended negotiations with Boeing, pending the outcome of ongoing Inspector General investigations. Based on the results of that investigation, the Air Force will recommend a cost-effective strategy for acquiring a suitable replacement for the KC-135 fleet to meet joint warfighting requirements to support our National Security Strategy.

The F-35 Joint Strike Fighter (JSF) will be a giant leap over existing attack/fighter capabilities. JSF is in the third year of an 11-year development program, and we have seen some design challenges. The current design challenge for all three variants is weight, which impacts performance requirements, particularly for the Short Takeoff and Vertical Landing variant. Design teams are working diligently to solve this issue, and we have moved the first planned production procurement to the right one year, and added extra money to the development. The weight issue is within normal parameters of

design fluctuation, and this issue will be worked out through the development and design process.

Protection of our troops remains a top priority. Interceptor Body Armor (IBA) was in the initial fielding phase at the start of OIF. The Army has been aggressively managing this critical item, and accelerated fielding and production rates when CENTCOM identified the need due to the threat situation. The Army has been issuing the IBA directly for use in the combat theater of operations. IBA consists of an Outer Tactical Vest (OTV) and a set of Small Arms Protective Inserts (SAPI). As of 26 January, 93% of the troops and DOD civilians operating in Iraq had been outfitted with IBAs with SAPI. The OTV and SAPI assets needed to equip the remainder of the force are in theater being distributed. During the upcoming force rotation, all OIF II forces will be outfitted in Kuwait prior to entering Iraq. We will continue to work diligently to provide the best protective equipment for our servicemen and women and DOD civilians.

The Up Armored version of the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) has proven to be effective at protecting our soldiers against mines, improvised explosive devices (IED) and direct fire weapons. Currently there is a shortfall in Iraq and worldwide. To fill this shortfall, in the near term, the Joint Staff, the Services and the Combatant Commanders are conducting an aggressive campaign to redistribute worldwide inventories of UP

Armored HMMVVs to Iraq. In the longer-term, Congress' Emergency Supplemental provided funding to accelerate production of Up Armored HMMVVs to meet CENTCOM requirements by January 2005.

OIF reaffirmed how critical the deployment and distribution process is to joint warfare. The Joint Staff is working with DOD and the Service logistics experts to develop an integrated end-to-end deployment and distribution process that is responsive to rapid projection of forces, the delivery and handoff of joint forces, and worldwide sustainment in support of the Joint Forces Commander.

During the FY 2004 budget cycle, Congress voiced concern over the Department's overseas basing plans. Since then, our global posture strategy has matured. We are now in the process of detailed consultation with our allies and members of Congress. The overseas portion of the FY 2005 Military Construction budget submission includes projects at enduring locations. These projects reflect our Combatant Commanders' most pressing base and infrastructure needs. I urge Congress to support our Combatant Commanders and fund the overseas MILCON projects submitted in the FY 05 budget request. These projects contribute directly to our readiness and the quality of life our personnel deserve.

Joint Warfighting

Protecting the US, preventing future conflicts, and prevailing against adversaries require our military to sustain and extend its qualitative advantage against a very diverse set of threats and adversary capabilities. Maintaining our qualitative advantage begins with improving education programs across the Services. We must also adapt and transform organizations and functions to eliminate gaps and seams within and between combatant commands, agencies at all levels of government, and potential coalition partners. Information sharing is at the forefront of this effort.

Recent operations in Afghanistan, Iraq, the Philippines, and Africa have demonstrated the impact timely sharing of intelligence has on planning and executing military operations. Since this is a global war requiring an international effort, we must also improve coalition command and control capabilities, and consolidate the numerous networks that exist today. These disparate networks hinder our ability to plan in a collaborative environment and exercise timely and effective command and control with our multinational partners.

We must also review policies and implement technology that safeguard our vital sensitive information while ensuring critical operational information is shared with all those who fight beside us. JFCOM has been tasked to take the

lead in identifying specific multinational information sharing requirements and recommending policy changes. Our goal is to establish a multinational family of systems with common standards as part of the Global Information Grid enterprise services. I view this as a top priority and ask for Congressional support – information sharing with our allies is critical to winning the War on Terrorism.

During OIF, our military forces benefited from unprecedented situational awareness through a common operational picture. In particular, one new system, Blue Force Tracker, was critical to the success of our forces as they sped towards Baghdad. Some of the 3rd Infantry Division, V Corps, and I MEF vehicles were equipped with transponders that automatically reported their positions as they maneuvered across the battlefield – greatly improving situational awareness for our battlefield commanders, and reducing the potential for blue-on-blue engagements. Despite significant improvements in joint combat identification, challenges remain to reduce incidents of friendly fire, and maximize the synergy of combined arms to provide all front-line tactical units with friendly and threat information during decisive engagements. To address these challenges, JFCOM has the lead in the comprehensive effort to improve Joint Battle Management Command and Control, which includes the integration of Common Operational and Tactical Pictures, Combat Identification, and Situational Awareness across the force.

We are taking command and control lessons learned from OIF like the capability to track Blue Forces, and running them through the Joint Capabilities Integration and Development System process to help shape future systems requirements. The objective is to ensure all of the critical considerations of Doctrine, Organization, Training, Material, Leadership and Education, Personnel, and Facilities (DOTMLPF) are employed in an approach that synchronizes material and non-material solutions.

We are also improving our military war planning process. The Joint Staff has developed an Adaptive Planning process – whose key concepts are agility and speed – to reduce the time to develop and update war plans, while adding flexibility and adaptability to respond to the rapid changes in the global strategic security environment. The goal is to provide the President and SECDEF the best options possible. We have also been developing a collaborative campaign-planning tool for crisis action planning and execution. These tools should allow commanders the ability to assess multiple courses of action, rapidly compressing plan development time while increasing plan flexibility.

Our warfighting effectiveness is also enhanced by our Joint Exercise Program, which provides Combatant Commanders with the means to train battle staffs and forces in joint and combined operations, evaluate their war plans, and execute security cooperation plans with our allies and Coalition

partners. In order to improve joint training opportunities, JFCOM has established a Joint National Training Capability (JNTC), which will achieve Initial Operational Capability in October 2004. JNTC will combine live and virtual play at multiple locations. The goal is to provide realistic joint combat training against an adaptive and credible opposing force, with common ground truths, and high quality exercise feedback.

Strategic airlift is available to exercises only on an as-available basis, since it is prioritized for operational needs first. Providing the personnel and assets to accomplish meaningful joint training during this period of high OPTEMPO has also been challenging. To balance these competing requirements, the Combatant Commanders are reviewing their FY04 exercise programs with a view to canceling, downsizing or postponing exercises. We must continue to balance operational and exercise requirements against OP/PERSTEMPO and available lift.

Prior to combat operations in Iraq, we established a process for adapting OIF lessons learned for future operations as rapidly as possible. JFCOM has the lead role in turning identified operational level lessons learned into required capabilities through the Joint Capabilities Integration and Development System. A consolidated OIF After Action Review will be presented to Congress in July 2004. The top three OIF Strategic Lessons Learned, from the Joint Staff perspective, are the need for an improved deployment process (including

Reserve Component mobilization), redistributing specialties between the Active and Reserve Components, and improving the Phase IV planning and transition process.

Phase IV transition and Stability Operations require significant adjustments in how we plan, train, organize, and equip our forces. We can expect future adversaries to attempt to offset US military strengths through asymmetric means, to include terrorist insurgency, as combat operations transition to post conflict operations. The lessons learned process continues during stability operations in Afghanistan and Iraq.

The Joint Staff, in coordination with the Services and the Combatant Commanders, is revising the National Military Strategy to link strategic guidance to operational warfighting and serve as a military plan to implement the National Defense Strategy and the National Security Strategy. The National Military Strategy provides the context for other military documents such as the Joint Operations Concept, Joint Strategic Capabilities Plan, and other plans. It will incorporate lessons learned from Operations NOBLE EAGLE, ENDURING FREEDOM and IRAQI FREEDOM and establish specific military priorities, objectives, employment concepts, and capabilities for Combatant Commands and Services. The 2004 National Defense Authorization Act requires that the National Military Strategy include the CJCS annual risk assessment, which is due 15 February 2004.

Considerations and Recommendations for Goldwater-Nichols Act

For the past 18 years, joint operations have been improving under the provisions of the Goldwater-Nichols Act. The act strengthened civilian control of the military and facilitated better military advice to the President, SECDEF, NSC and Congress. Now, it is time to consider new ideas for improving the effectiveness and efficiency of the military instrument of power in today's new security environment.

The WOT and other recent military operations have demonstrated the need for improved interagency cooperation, integration and execution of National Security Council decisions. We also need to improve how we coordinate the efforts of international, regional and non-governmental organizations. I fully support initiatives to formalize a mechanism that creates effective lines of authority and provides adequate resources to execute interagency operations. For example, designating the Chairman of the Joint Chiefs of Staff as the principal military advisor to the Homeland Security Council would improve homeland defense and prosecution of the WOT beyond our borders.

Joint Officer Management codified in the 1986 Goldwater-Nichols legislation was based on the threats and force structure evident late in the Cold War. We are developing a strategic plan to shape joint officer management based on the type and quantity of officers needed to perform current and future joint missions, and the education, training, and experience joint officers require. This strategic approach will ensure future joint officers meet the needs of joint commanders.

We are already taking some initiatives to improve our Joint Professional Military Education system, with the goal of educating and training the right person for the right task at the right time. Historically, we waited until officers became majors and lieutenant colonels before we provided them with joint education. We are finding that the War on Terrorism requires noncommissioned officers and junior officers from all Services to work in the joint environment more often than they have before. We are developing courses tailored to the needs of our younger troops that expose them to joint warfighting far earlier in their careers. To improve joint officer management and education, and prepare officers for joint duty earlier in their professional careers, I request consideration to allow the Service War Colleges to teach Joint Professional Military Education (JPME) Phase Two and the authority to determine the appropriate length of the Joint Forces Staff College's JPME Phase II course. We also have pilot programs providing joint education to Senior Noncommissioned Officers and our Reserve and Guard component

members. Additionally, we are reviewing our joint general and flag officer training programs to ensure our senior officers are prepared to command joint task forces and work effectively with interagency and coalition partners.

Today, the Chairman remains well positioned to assist in providing strategic direction to the Armed Forces, assess impacts on the long-term readiness of the force, and evaluate current and potential levels of risk associated with global military activities. Already, we are in the process of transforming our internal processes to make them more responsive in the current dynamic environment. In a similar vein, I request we also reevaluate and streamline our current reporting requirements to Congress, many of which seem of questionable utility. I propose the formulation of a working group composed of members from the HASC, SASC, HAC, SAC, OSD, OMB and Joint Staff to identify the best means and frequency of communications to meet Congressional oversight needs.

TRANSFORMATION OF THE US ARMED FORCES

We cannot focus solely on the threats we face today and assume there are not other, perhaps even more challenging threats on the horizon. Maintaining our unchallenged military superiority requires investment to ensure the current readiness of deployed forces while continuing to transform military capabilities for the future. Our adversaries will learn new lessons,

adapt their capabilities, and seek to exploit perceived vulnerabilities. Therefore our military must transform, and must remain ready, even while we are engaged in war.

Before the events of September 11th, transforming the force was viewed as DOD's greatest near-term challenge. Since then, we have had to fight battles in the mountains of Afghanistan, in the cities of Iraq, and around the world for the security of America. Putting transformation on the back burner and focusing solely on the fight at hand is simply not an option. We are fighting a war unlike any we have fought before – it demands new ways of thinking about military force, new processes to improve strategic agility, and new technologies to take the fight to the enemy. DOD continues to invest heavily in transformation, both intellectually and materially. Given that transformation begins with innovative thought, we have developed a suite of concepts that will define how the joint commander will fight in 2015 and beyond.

We recently published an overarching concept document titled Joint Operations Concepts to provide a framework for developing capabilities and defining concepts. Using this document as a foundation, the Joint Staff completed development of five joint functional concepts to define how joint warfighting will be conducted across the range of military operations. These functions include force application, protection, command and control,

battlespace awareness, and logistics. Meanwhile, the Combatant Commands have been working on four high-level operating concepts that include strategic deterrence, stability operations, homeland defense, and major combat operations.

Collectively, functional and operating concepts define how we want to fight in the future, and will help us transform from the threat-based force of the Cold War to a capabilities-based force postured to respond to a wide variety of threats, some of which we cannot confidently predict today. To aid the Joint Requirements Oversight Council in determining warfighting needs with a capabilities-based approach, we are developing joint integrating concepts. These concepts are far more focused than functional and operating concepts, and define specific tasks to be conducted. They are designed to bridge the gap between how we want to fight and the capabilities we need. Examples include urban operations, global strike operations, and forcible entry operations. The functional, operating and integrating concepts will continue to evolve over time. The first round of this very important concept work should be done within the year.

For each functional concept area we have established a Functional Capability Board to integrate the views of the Combatant Commands, Services, Defense Agencies, Joint Staff, and OSD. These boards comprise functional experts from across DOD who will provide the best advice possible for our

planning, programming, and acquisition processes. Functional Capability Boards also support a new process called the Joint Capabilities Integration and Development System, which replaces the previous Cold War-era Requirements Generation System. The new system recognizes that less expensive programs can have a significant impact on joint operations. Virtually all programs are reviewed through the JROC process for potential joint impact before they get a green light, ensuring all Service future systems are born joint.

Based on the recommendations of the Joint Defense Capabilities Study – the Aldridge Study – we established the Strategic Planning Council chaired by SECDEF, and composed of the Service Secretaries, the Joint Chiefs, Principal Under Secretaries and the Combatant Commanders. The first meeting was held 28 January 2004. To capture and disseminate this top-down strategic direction, we will produce a new Strategic Planning Guidance document as the mechanism to provide subordinates with this strategic guidance. The first Strategic Planning Guidance document should be complete by February 2004.

We are also developing an Enhanced Planning Process that integrates DOD-wide lessons learned, experimentation, concept development, study results, capability gap analysis, and technology development into a collaborative capabilities planning function. The goal is to offer distinct and viable alternatives to senior leadership rather than a consensus driven, single

point solution, and implement their decisions into the Joint Programming Guidance document, the first of which will be issued in May 2004.

These three transformational process initiatives – Functional Capability Boards, Joint Capabilities Integration and Development System, and the Enhanced Planning Process – work together improving our planning and programming agility for future joint capabilities. JFCOM is working with the Functional Capability Boards to incorporate lessons learned from OEF and OIF into a list of materiel and non-materiel recommendations to the Joint Requirements Oversight Council to turn lessons learned into identified capabilities needs as quickly as possible.

JFCOM is also coordinating with the Services, Combatant Commands, other US agencies, and coalition partners to ensure experimentation efforts support the warfighter. One of JFCOM's key experimentation initiatives is the Standing Joint Force Headquarters, which will provide Combatant Commanders a rapidly deployable command and control team, along with supporting information systems and reachback capabilities, that will enable us to respond to regional conflicts with smaller and more effective joint operational headquarters. JFCOM is establishing the prototype Standing Joint Force Headquarters this year, and in FY05 we will field the communications portion known as the Deployable Joint Command and Control System to CENTCOM and PACOM. EUCOM and SOUTHCOM receive follow on systems in FY06 and

FY07. The Deployable Joint Command and Control System will use state-of-the-art information technology to enhance Joint Force command and control.

Communications systems are a prime target for transformational ideas. The Joint Tactical Radio System is a software programmable radio that will provide seamless, real-time, voice, data and video networked communications for joint forces. It will be scalable allowing additional capacity (bandwidth and channels) to be added, backwards-compatible to communicate with legacy systems, able to communicate with multiple networks, and able to accommodate airborne, maritime and land based systems. It provides the tactical warfighter with net-centric capabilities and connectivity to the Global Information Grid, and is essential to meeting our 21st century joint communications warfighting requirements.

Transformation also means developing multiple, persistent surveillance capabilities that will let us "watch" situations and targets by looking, smelling, feeling, and hearing with a variety of long-dwell sensors from space, air, ground, sea and underwater and integrating these capabilities into a "system of systems." The exploitation of Measurement and Signature Intelligence (MASINT), holds great promise. MASINT collects information from many diverse sources to detect, characterize and track a target or activity by its distinctive properties, or "signatures" that are very difficult to conceal or suppress. Last year, DIA created its Directorate for MASINT and Technical

Collection to develop new forms of technical collection and integrate MASINT into collection strategies and operations.

Another example of the transformational technologies we have just fielded is the Army's Stryker Brigade, which is centered on a new, fast, and quiet vehicle that can deliver 11 troops to the fight. This effort is far more than simply fielding a new vehicle; it is also a new way to organize a brigade, and link that brigade to a networked command and control system that shares intelligence, surveillance, and reconnaissance information. Our Stryker Brigade Combat Teams (BCTs) are organized and trained to take advantage of this new technology. The first Stryker BCT is already proving its worth in Iraq.

To reduce our vulnerability to weapons of mass destruction, we have made progress on providing missile defenses for our homeland, our deployed forces, and our friends and allies. In the coming year, we plan to deploy six ground-based interceptors in Alaska and four in California to provide an initial capability to defend the US from ballistic missile attack. The PATRIOT missile defense system and the emerging AEGIS-based SM-3 system will provide short and medium range missile defenses, as well as critical surveillance and tracking essential to our Ballistic Missile Defense System. Coupled with an upgraded launch detection capability provided by the Space Based Infrared System, our ballistic missile defenses will continue to improve significantly over the next few years.

The Global Positioning System (GPS) offers an excellent example of a system that transformed modern warfare. GPS delivers worldwide positioning, navigation and timing data that provide US and allied forces an all-weather, precision engagement capability. Over the last decade, the success of combat operations was largely due to GPS-aided precision-guided munitions. We must continue to modernize GPS, improve capabilities, protect US and allied access to reliable military positioning, navigation and timing information, and deny this information to our adversaries, while minimizing impacts to peaceful civil users. We are engaged with NATO and the European Union to resolve our concerns with the proposed Galileo system, a civil satellite system that puts at risk our programmed military enhancements to GPS. A US interagency team has made significant headway with some tough technical issues over the past year, but continued negotiations are essential to address the remaining technical, and more importantly, the political issues. Once these issues are resolved, we can confidently move forward with our vision of space superiority to support future joint and coalition operations.

As recent military operations have demonstrated, space is a critical dimension of the battlespace. Lessons learned from OEF and OIF highlight our increasing reliance on space communication assets and our demand for bandwidth. Our challenge is meeting future warfighter requirements in the face of an aging satellite constellation. Despite a planned 10-fold increase in

capability through Advanced EHF and Wideband Gapfiller Systems, projected capacity may not meet the growing demand. This shortfall will potentially impact our ability to maintain a technological advantage over our adversaries. Work on Transformational Satellite Communications continues, which is designed to improve communications for mobile systems, particularly those that provide intelligence, surveillance, and reconnaissance. Our unmanned aerial vehicles and the Army's Future Combat System place heavy demands on bandwidth, particularly when real-time video feeds are required. The frequency spectrum is critical not only to joint warfighting, but to all federal, state and local agencies to ensure national security and public safety. Military and civilian technology is rapidly moving to a wireless medium. As pressures from commercial sources to free up more federal spectrum mount, we must ensure our long-term spectrum accessibility for our military forces.

These are just a few examples our ongoing transformation efforts. We are working hard to integrate old systems with new, in innovative ways. Interoperating between our own legacy and transformational systems is a challenge for us, but it is an even greater challenge to our coalition partners, who must participate in key decisions on how transformation will enhance combined operations in the future.

Over the past year, NATO has achieved great success in progressing toward a transformed military organization. The Alliance has developed,

approved, and begun implementing a new, more streamlined command structure, which will make it viable in the 21st century global security environment. The catalyst for modernization will be the new Allied Command Transformation, which will maintain a close partnership with JFCOM. Also, on the forefront of transformation, NATO has created the NATO Response Force, a key enabler of NATO's new operational concept. It is designed to be a combined, deployable, sustainable, and lethal force intended to be NATO's first responders, able to respond quickly to a crisis anywhere in the world. In a display of NATO's new focus, on August 11, 2003, NATO assumed command of ISAF in Afghanistan, the first out of area mission in the history of the Alliance. To be an effective joint force in the future, we must ensure that our allies keep pace with our transformation efforts.

Conclusion

Responding to today's dynamic threat environment requires our Armed Forces to be innovative, agile, and flexible. With Congress' strong support, our military has made significant progress combating terrorism, improving our joint warfighting capabilities, and transforming our military into a 21st Century fighting force. We appreciate your efforts to help us be responsive to a changing world, and make that world a safer and better place.

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COMMITTEE ON ARMED SERVICES

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STRATEGIC FORCES
TOTAL FORCE

SELECT COMMITTEE ON HOMELAND SECURITY

SUBCOMMITTEES
INFRASTRUCTURE AND BORDER SECURITY
CYBERSECURITY, SCIENCE AND RESEARCH & DEVELOPMENT
RULES

STATEMENT FOR HEARING OF THE ARMED SERVICES FULL COMMITTEE
On the President's Budget proposal for Defense Programs in FY 2005

February 4, 2004

Mr. Chairman:

I thank you for yielding me time, and I thank our distinguished guests for joining us this afternoon.

Mr. Chairman, the review of the President's budget proposal, is one of the most important tasks this Committee has this year. The budget proposal sets the stage for the work will we do this session.

While I think the President's proposal includes many worthwhile investments, I must say that I don't think that it reflects the security priorities of our nation. It falls short, both in terms of responding to immediate threats, and in terms of establishing a vision for this country's future security.

The defense budget, first and foremost, should address the threats to our national security that currently exist. There is no debate that threats do exist, that we live in a world where Americans – our citizens at home, and our troops abroad – are increasingly the target of terrorism. We see that now in Iraq and Afghanistan. We live in a world where our enemies are increasingly unconventional, where we must guard against biological and chemical attacks, where we must work to safeguard the supply of fissile materials so that they do not fall into the hands of these unconventional enemies. These are our immediate threats.

I am therefore surprised to see that the President's budget includes no funds for our troops in Iraq and Afghanistan. The Administration's rationale for not including funding for Iraq and Afghanistan is that these costs are difficult to project. So instead of projecting the costs, they put in a zero. We have now been in Afghanistan for over two years, and in Iraq for almost a year. We should be able to make an educated guess.

And instead of projecting a rosy picture, for the sake of argument and good sense, we make a worst-case scenario projection. Let's say that we aren't able to draw down troops in Afghanistan and Iraq. Let's say that the transition in Iraq doesn't go well, that the



interim government is not welcomed with open arms, that our allies are unwilling to help the U.S. pick up the tab for continued operations and occupation. How much would it cost to continue our current policy in Iraq? We have heard that the President will submit a Supplemental request for \$30-50 billion for operations in Iraq and Afghanistan. Why isn't that funding included in this budget proposal?

The defense budget, as I said, should address immediate threats. One of these immediate threats is the proliferation of nuclear, biological and chemical materials. We have, I believe, more to fear from a dirty bomb, or a terrorist release of biological or chemical agents than an errant missile from across the ocean. I am therefore surprised too, that the President has decided to cut funding for these important non-proliferation programs, programs like Nunn-Lugar which help decrease the threat of loose nukes falling into the hands of our enemies, conventional or otherwise.

Instead, the President is choosing to increase funding for the Ballistic Missile System to \$10.6 billion. This is a system which has only proved effective in one out of five tests, and these were tests where the system knew where the missile was coming from, and when it was launched. We certainly won't have one out of five chances to shoot down an incoming missile from our enemies. While I believe that a missile defense system may have value, and have consistently supported Research and Development in that field, I am far from convinced that the current Ballistic Missile program is close to operational, and ready for investments in testing at the level the President has indicated.

The Secretary of Defense and his colleagues claim that the Missile Defense investments are "transformational"; \$9 billion of \$26 billion for the so-called "transformation of the military" is set aside for Missile Defense in the President's budget. While I support the effort to transform the military into an effective security agency for the 21st century, I tend to see Ballistic Military Defense as reactionary rather than transformational – it is technology designed to fight the last war, to fight the Cold War. We need a military that is transformed to face the threats of the future – terrorism, non-conventional weapons, asymmetric threats.

I regret that the President has not taken advantage of this opportunity to demonstrate how he will face these immediate threats, and the threats of the future. I look forward to working with my colleagues on this Committee to create a national security agenda which will reflect reality, and provide real security for America and Americans now and in the future.



DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 4, 2004



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Congress of the United States
House of Representatives
Washington, DC 20515

February 2, 2004

ARMED SERVICES COMMITTEE

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SUBCOMMITTEE ON TOTAL FORCE

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SMALL BUSINESS COMMITTEE

SUBCOMMITTEE ON WORKFORCE,
EMPLOYMENT, AND GOVERNMENT PROGRAMS

The Honorable Donald H. Rumsfeld
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Rumsfeld:

I am writing to respectfully request your assistance in obtaining information concerning the U.S. Department of Defense (DoD) involvement in nuclear testing activities that were undertaken by the United States in the Pacific region during the 1940s and the 1950s. I seek this information so that I may be able to accurately and appropriately respond to serious concerns that have been raised by my constituency over radiation exposure and contamination in Guam from these activities.

The Pacific Association for Radiation Survivors (PARS) is leading an effort to investigate the radiation contamination. Enclosed is a report co-authored by Mr. Robert Celestial, President of PARS and an Atomic Veteran, entitled the *Blue Ribbon Panel Committee Action Report on Radioactive Contamination in Guam Between 1946-1958*, which addresses possible radioactive contamination. This report makes strong statements in support of the conclusion that nuclear radiation from U.S. nuclear tests in the Marshall Islands not only has reached Guam, but has had significant negative impacts on the health of Guam's environment and its people. While it primarily addresses direct nuclear fallout from the testing, it also raises the specific concern over contamination resulting from the wash down and decontamination of DoD ships in Guam's harbors and aircraft at Andersen Air Force Base.

Another concern with nuclear contamination resulting from an alleged nuclear submarine spill around the time frame of June 1990 or 1991 in Apra Harbor has been raised with me. Anecdotal evidence based on the incidence of cancers and birth defects has been invoked to support the conclusion that the people of Guam have been exposed to high levels of radiation.

The Honorable Donald H. Rumsfeld
February 2, 2004
Page 2

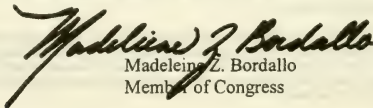
I believe these concerns warrant study and response by the Department of Defense. Therefore, I respectfully request your review of the enclosed report and the relevant supporting documentation. Your comments regarding the information that has been presented by this report and the conclusions that it supports would be helpful in addressing the serious concerns that have surfaced with the people of Guam.

I would also appreciate your response to the following questions and specific concerns:

1. What information, if any, does DoD have with respect to contamination in Guam that may have occurred as a result of the decontamination of vessels and aircraft exposed to radiation from nuclear tests? Were any such vessels or aircraft involved in or exposed to these nuclear tests later docked in, washed down, or transited near Guam?
2. To what extent, if any, has radioactive contamination occurred in Guam through activities of DoD? What information, if any, does DoD have regarding the alleged occurrence of a nuclear submarine spill in Apra Harbor occurring around 1990-1991?

I take these concerns of my constituents seriously. Your support in securing information about the possibility of radiation contamination resulting from DoD activities in the Pacific region is greatly appreciated. I look forward to continuing communication as we seek to resolve these questions.

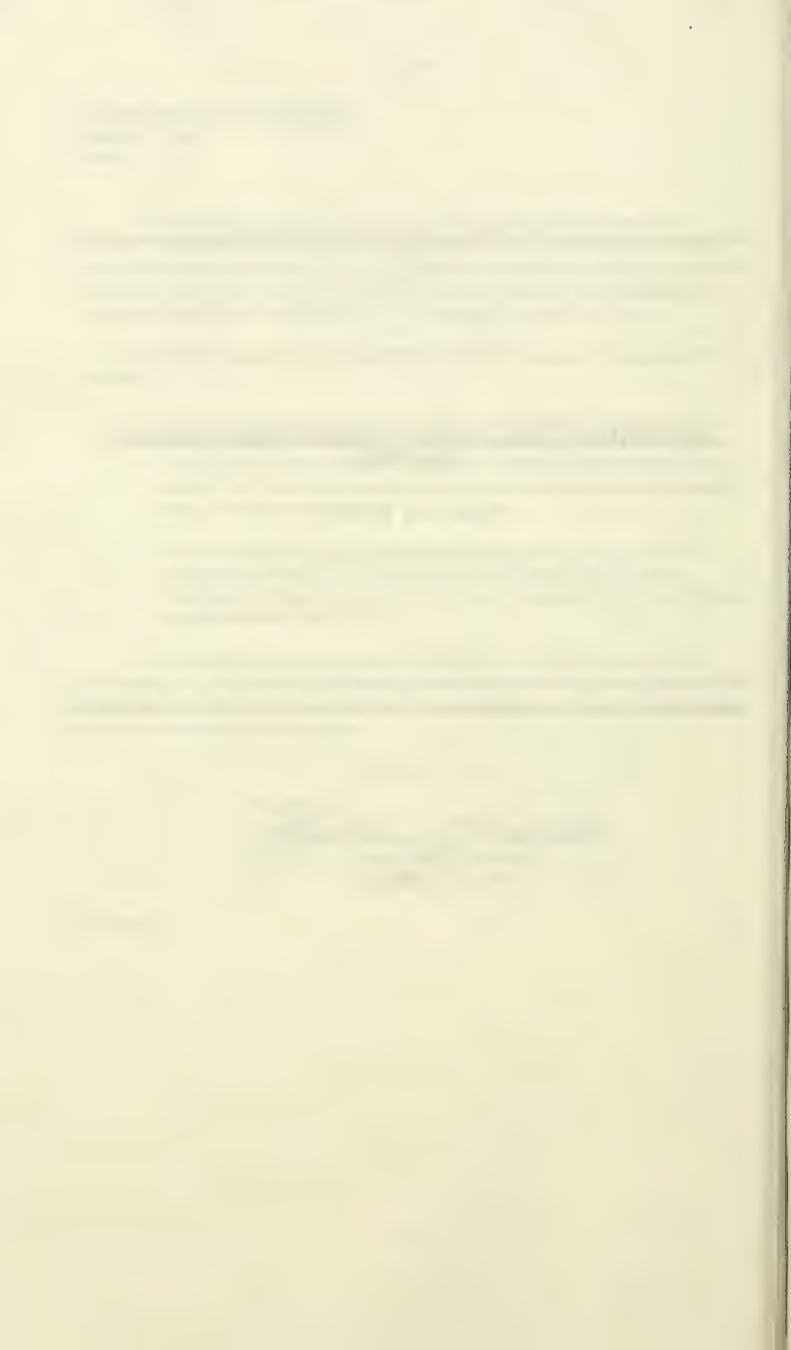
Sincerely,


Madeleine Z. Bordallo
Member of Congress

Enclosure

**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

FEBRUARY 4, 2004



QUESTIONS SUBMITTED BY MR. SPRATT

Mr. SPRATT. DoD knows that 10,000 additional personnel cost \$1.2 billion a year. Since you have already authorized the extra personnel, why does your budget not provide funds for the cost of carrying out a policy decided before the budget was submitted? Should not your budget reflect the number and cost of the additional personnel you plan to maintain?

Does this increase in personnel indicate plans for a significant Army presence in Iraq through 2006 or longer? If not, what is the requirement for this increase in view of official statements that increased personnel are not necessary?

Secretary RUMSFELD. When the FY 2005 defense budget request was finalized in January of 2004, the Department could not predict what the conditions would be in Iraq and Afghanistan. Nor could we predict how many of the planned military personnel additions we would actually have. These two uncertainties made it impossible to make a sound estimate of the added military personnel costs we would have in FY 2005.

No. The increase in personnel does not indicate anything about deployment plans in Iraq or elsewhere. The requirement for this increase is the manage demands on our armed forces more effectively. Increasing the size of the active Army by about 30,000 troops will facilitate the reorganization of its combat forces to form more agile, lethal and deployable brigades with enough protection, fire power and logistics assets to sustain themselves.

Mr. SPRATT. Does this increase in personnel indicate plans for a significant Army presence in Iraq through 2006 or longer? If not, what is the requirement for this increase in view of official statements that increased personnel are not necessary?

Secretary RUMSFELD. No, the temporary increase of 30,000 Soldiers allows the necessary flexibility for the Army to restructure while maintaining its global commitments. It is in direct response to the Global War on Terrorism and will enable the Army to field standardized modular designs and transition to a unit-based personnel management system. The Army will increase the number of active force brigade combat teams or units of action from 33 to 43 between now and fiscal year (FY) 2006. A permanent increase in end strength limits flexibility and could have an adverse impact on transformation and modernization. Once we complete restructuring in FY07, our goal is to return to authorized strength levels by FY09. Our intent is to make the Army more ready and relevant for the unpredictable nature of the emerging strategic environment.

Mr. SPRATT. Secretary Rumsfeld, it has been reported that a number of reservists and guardsmen who have been activated for Operation Iraqi Freedom are upset that their tours of duty have been extended beyond the 12 months initially indicated. Reports have suggested that extended stays have hurt recruiting for the reserve components and that many of those called to active duty may not reenlist after their return to the U.S. How does the Department of Defense plan to address the risk of such attrition? Does this budget contain any funds for retirement, medical care, or bonus pay as inducements to retain these personnel? If so, will you identify the items and approximate their cost?

Secretary RUMSFELD. We are acutely aware that lengthy activations have the potential to negatively affect reserve component recruiting and attrition. We continue to conduct periodic surveys of reserve component members to assess their intentions with regard to continued participation in the National Guard and reserve. Through February, overall reserve component attrition is well below previous years. Only in the Marine Corps reserve is attrition above last year, but it is comfortably within established ceilings. We are currently achieving our strength objectives, but we remain vigilant about future enlistment and reenlistment behavior and trends and the impact repeated activations may have.

In our efforts to strengthen reserve recruiting and retention, the Department is examining proposals for enhanced incentive programs and exploring opportunities to improve the quality of life for our members. We have stepped up our family and employer support programs, and we monitor employer- and family-related issues and concerns for potential serious problems. Every reserve component member returning from a mobilization of more than three months is exempt from involuntarily

attending a unit drill for 60 days or a two-week annual training for the remainder of the training year. In addition, every returning member who has been affected by stop loss is given a 90-day "cool-down" period following de-activation before they are separated from the Service. During these periods, support is available from retention officers with whom the member can address any concerns and who will ensure that the member is aware of the benefits associated with the mobilization and the benefits of continued membership. Chaplains are available during this period to provide individual and family support as needed. In addition, we will continue to conduct member surveys to identify potential problems and issues of concern to members and their families.

Also, we are actively engaged in examining our recruiting and retention incentives, the strength of our recruiter force and the support tools available to them to ensure that they support our human resource requirements. The President's budget includes just under \$300 million dollars for reserve component incentives to assist us in manning critical skills (a \$46.3 million increase over Fiscal Year 2004). Over \$66 million are budgeted for reenlistment bonuses (an \$8.9 million increase over the previous year). This is indicative of the fact that the Services are aware of the challenging strength management environment and are planning accordingly.

In our recent review of reserve compensation and our ongoing examination of reserve retirement, in which we are assisted by RAND, we are guided by the principle that any changes in the total compensation package should be focused on the portion of the force that is bearing the burden of activation. The immediate beneficiaries of recently proposed changes to the reserve retirement system are members who have already retired or are approaching retirement. Reducing the age for receipt of retired pay does not provide an inducement for retention of junior personnel. The President's budget does not include funds associated with reserve retirement reform.

The Department appreciates the support of this committee in providing medical and dental screening for members of the Selected reserve units alerted for mobilization. The Department is also implementing the enhanced benefits for mobilized reservists, which include early eligibility for healthcare coverage for reserve component members who have been notified of impending activation and transitional healthcare for 180 days following deactivation. Before supporting any further expansion of healthcare coverage for reserve component members at this time, we must fully assess the impact of current enhancements and test the need for any additional TRICARE program for Ready reserve members. The President's budget for Fiscal Year 2005 does not include funds for healthcare programs designed to serve as inducements for continued service in the Reserve components.

We are working to identify early warning indicators that will assist us in effectively managing our incentive programs before problems become serious. We will continue to work with the Military Departments to ensure that our programs are sufficient to provide a strong force with the requisite numbers and skills. We appreciate the support of this committee in our efforts.

Mr. SPRATT. Please provide us with the approximate range in which the cost of our presence in Iraq and Afghanistan will fall during 2005, and whether unobligated carry-over balances can be expected to defray some of this cost.

Secretary ZAKHEIM. Both my statement and the Analytical Perspectives table are correct because they make their comparison to a different FY 2004 figure. My statement notes that the FY 2005 request is higher than the FY 2004 requested level. Whereas the Analytical Perspectives table shows that FY 2005 request is lower than the FY 2004 enacted level. I believe that my comparison is the more valid of the two because the President's request includes only the research that we have determined to be highly likely to contribute our future defense posture. In contrast the enacted level includes Congressional additions, some of which may not be nearly as likely to contribute to our future defense and which may be one-time additions that will not be adopted in a future request—based on the Department's rigorous determination of what is truly essential for inclusion in its budget.

QUESTIONS SUBMITTED BY MR. SAXTON

Mr. SAXTON. Is it predicated that our future capabilities will require allied or coalition personnel, equipment, or facilities in order to prosecute or sustain operations for combat or stability purposes?

Specifically will future force designs limit US unilateral options? Simply put are we sizing and structuring the force to be dependent on other nations to prosecute and sustain a conflict?

Are we to assume that the dependence on allies or coalition partners will cause the US to be unable to prosecute and sustain operations if an ally or coalition partner declines participation?

Secretary RUMSFELD. Future US capabilities, like today's capabilities, will be second to none. The complex nature of warfare, particularly in an era of terrorism, insurgency, and asymmetric threats, dictates that, for both political and operational effectiveness, the United States will want to act in conjunction with coalition partners in any contingency. The review of US global defense posture is designed to provide a global laydown of facilities and forward forces that will enable the United States to act promptly and effectively wherever necessary, in concert with our allies and partners.

We are sizing and structuring the force to have the widest possible range of capabilities for any contingency, anywhere, and to provide the President with a variety of strategic options for pursuing US interests globally.

A critical lesson learned from operations in Afghanistan and Iraq is the requirement for multiple avenues of access to various theaters where our forces may be called upon to act. A guiding factor for our global posture review is enabling expeditionary operations via an array of main operating bases, forward operating sites, and access and logistical agreements, so that there is no "single point of failure" that could hinder an operation or contingency based on one partner's unwillingness or inability to participate with us.

Mr. SAXTON. Given all of the discussions by the Department of Defense to transform to a more capable force, and given the large number of programs and initiatives said to be transformational.

What are some of the metrics (qualitative and quantitative) that are being used to measure the degree to which programs will achieve the desired goals?

General PACE. The Chairman implemented a new system for capability development called the Joint Capability Integration and Development System (JCIDS) in June of 2003. The JCIDS process requires the development and validation of metrics as capabilities are identified and programs are developed to implement those capabilities.

The process starts with identifying a capability need. At that time, measures of effectiveness are developed to ensure we know when the capability meets the warfighters needs. The Joint Requirements Oversight Council (JROC) approves the measures when they validate the capability in the Initial Capabilities Document (ICD).

The Initial Capabilities Document is used by the acquisition community to begin necessary work and to determine appropriate systems necessary to implement the capability. That system becomes further defined in the Capability Development Document (CDD) by the program office. In the CDD, Key Performance Parameters (KPP) and other attributes with thresholds and objectives are identified and the CDD is subsequently validated and approved by the JROC. These KPPs and attributes are derived from the measures of effectiveness in the ICD. These metrics are used during both development and operational testing to ensure the system delivers the required capability.

Mr. SAXTON. Given all of the discussions by the Department of Defense to transform to a more capable force, and given the large number of programs and initiatives said to be transformational.

What are some specific transformation initiatives or programs and why are they considered transformational?

General PACE. The Transformation Planning Guidance defines transformation as a process that shapes the changing nature of military competition and cooperation through new combinations of concepts, capabilities, people, and organizations that exploit our nation's advantages and protect against our asymmetric vulnerabilities to sustain our strategic position, which helps underpin peace and stability in the world. The Department has made significant advances in fostering transformational initiatives and programs. These include future joint concept development, joint experimentation, and a new capabilities-based requirements system.

Beginning from the top down, we are developing a family of joint concepts to define the military capabilities we need 15-20 years in the future. We have completed work on the overarching Joint Operations Concept, as well as five supporting Joint Functional Concepts. We are nearing completion on several more supporting concepts, called Joint Operating Concepts. These Joint Operating Concepts will have supporting Joint Integrating Concepts that are in early stages of development. This family of concepts will continue to expand and is designed to link strategy to capabilities by supporting a capabilities-based methodology for future Joint Force Planning and Warfighting. It will also inform joint experimentation to assess future military capabilities.

As the Executive Agent for Joint Experimentation, US Joint Forces Command (JFCOM) develops a biennial Joint Concept Development and Experimentation Campaign Plan that looks both inside and outside the Department for concepts and capabilities that further transformation and joint warfighting. The campaign-plan lays out JFCOM's plan to prototype capabilities, explore joint concepts, and develop actionable recommendations for future development. JFCOM experimentation outputs are staffed through the Joint Requirements Oversight Council (JROC) process for continued development of promising ideas. The Standing Joint Force Headquarters is an example of a JFCOM prototype initiative that will provide a core element within Regional Combatant Commander staffs that is focused on warfighting readiness, deliberate and crisis planning, and operational execution.

We implemented the Joint Capabilities and Integration Development System (JCIDS) in 2003. This process shifts the Department to a capabilities-based requirements system. Six Functional Capabilities Boards (FCBs) were established to support the JROC. The FCBs are organized by capability area including Force Application, Force Protection, Battlespace Awareness, Focused Logistics, Command and Control, and Net-Centric. They consist of broad OSD, Joint Staff, Service, and Combatant Commander membership under General/Flag Officer leadership. They are tasked to analyze and prioritize military capability needs, develop Joint Functional Concepts, and ensure JCIDS proposals are consistent with needs of an integrated joint force.

The FCBs examine all new capability-need solutions across the Department to ensure new systems are developed from the top down, born joint, and capabilities-focused.

Mr. SAXTON. Given that the development, production, and experimentation efforts of joint programs are currently funded by contributions provided by each of the Services, how will funding and testing be arranged in the future?

Secretary ZAKHEIM. Transformation of our military forces to meet the challenges of the 21st century continues to one of the top priorities of this Administration and improving our joint warfighting capability is a major element in the transformation. As an example, in the fiscal year 2005 President's budget, the Department has requested \$167.6 million for the Joint Experimentation program to help lay the foundation for national security transformation. The Joint Forces Command, with the Navy as Executive Agent, administers this program and it is funded in the Research, Development, Test and Evaluation, Navy appropriation.

Resource decisions for all Department of Defense programs, including joint programs, are primarily made through the Planning, Programming, Budgeting and Execution System (PPBES) starting with a concurrent Program and Budget review during the summer and fall and culminating with the submission of the President's budget to the Congress in February of each year. The Joint Staff is the primary sponsor and advocate for joint programs and is a full participant in the PPBES process. Decisions on funding (and testing) for joint programs will continue to be made primarily through the PPBES process.

QUESTIONS SUBMITTED BY MR. MEEHAN

Mr. MEEHAN. I was very concerned to read the recent report of the Institute of Medicine of the National Research Council about the Defense Department's chemical and biological defense programs, and it doesn't mince words.

Quote, "The committee sees dismal prospects for successful results from the current efforts by DOD's chemical and biological defense program to produce medical biodefense countermeasures. This task has not been given sufficient priority by DOD to produce the intended results. Furthermore, the disjointed and ineffective management and inadequate funding of current efforts are clear indications that the DOD leaders lack an adequate grasp of the commitment, time and scientific expertise, organizational structure and financial resources required for success in developing vaccines and other pharmaceutical products." End quote.

Mr. Secretary, considering your background in the pharmaceutical industry, I know that you are aware of how much time and effort and resources must go into the successful development and production of biodefense countermeasures. What are your thoughts on the Institute's conclusion?

And I must say, as I read this report, I was concerned because, you notice in the defense budget, it appears that R&D funds for chemical and biological defense programs are being cut this year by 20 percent from last year, from \$560 million this year, which is down from \$706 million in fiscal 2004. How are we going to improve this program to ensure our servicemen and women will be provided the protection they need from these dangerous threats with this 20 percent cut?

Secretary RUMSFELD. On the statement that "The Department has not given the program sufficient priority to produce the intended results" regarding fielding of medical countermeasures.

The Department is aware of the historical under funding of the program under past administrations and has identified significant development. As the report states, it takes many years and substantial funding, several times the amount the program has been receiving in the last decade, to provide fielding for Food and Drug Administration licensed countermeasures. This issue, as noted in the report, has been identified by the Department, as having funding shortfalls. We have included the infrastructure costs, intellectual capital, and product development costs and project a substantial bill to prioritize for both the Department and the Program Objective Memorandum.

On the issue that the program has "disjoined and ineffective management . . ."

The program management structure referred to in the report has been completely reorganized to do away with the referred fragmentation. The Department recognized this about 2 years ago and established a review of the program. On April 22, 2003, an Implementation Plan was approved by the Under Secretary of Defense for Acquisition, Technology & Logistics (USD (AT&L)) that streamlined the management and oversight of the Chemical and Biological Defense Program (CBDP). Since last year, we have moved away from an ineffective committee structure to the program and now have one single office, the Joint Requirements Office for CBRN Defense that integrates and validates all operational requirements. In addition, the acquisition process for systems in advance development and procurement is now managed by only two acquisition milestone decision authorities instead of eight. The Joint Program Executive Office for Chemical and Biological Defense (JPEO-CBD), reports thru the Army Acquisition Executive to the USD (AT&L).

Medical Countermeasure acquisition was also placed under the JPEO-CBD. This guarantees that only one organization within the Department reports on the program in an integrated manner. All science and technology is now integrated through the management of the Defense Threat Reduction Agency, which reports to the Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Program ATSD (NCB).

In addition, the Deputy Assistant to the Secretary of Defense for Chemical and Biological Defense now serves as the integrating medical countermeasures oversight office, under the ATSD (NCB). Within this office a medical directorship with knowledgeable personnel provided by each of the Services medical departments has been resourced. Their role is to identify and more efficiently accelerate the fielding of countermeasures. We are also implementing a critical path methodology in collaboration with the Department of Health and Human Services and other interagency groups to accelerate medical countermeasure development to support the warfighter.

QUESTIONS SUBMITTED BY MR. REYES

Mr. REYES. I am happy to hear your testimony that there are currently a sufficient number of body armor sets available in the Iraq theater and that these sets will be issued as soldiers enter theater. Does this armor include the special ceramic insert? I remain concerned about troops who are already in theater and may not have received body armor when they first entered. Does your statement include armor for these troops already in theater? Have all troops in theater been issued body armor? If not, when will they receive it? Or, is the body armor to which you referred only going to be issued to those troops newly entering the theater?

General PACE. There is enough Interceptor Body Armor (IBA) in theater to meet the CENTCOM requirement of one IBA per US military member and DOD civilian in Iraq. IBA consists of an Outer Tactical Vest (OTV) and a set of Small Arms Protective Inserts (SAPI—referred to as the "special ceramic insert"). Thus, an OTV and a set of SAPI are allotted for every military member in Iraq, regardless of their arrival date in Iraq.

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER While responding to a question, you asserted that the FY05 budget contains a real increase in funding for DoD S&T over the FY04 request. Yet the President's budget submission on page 61 of the "Analytical Perspectives" book clearly shows that the FY05 request represents a cut of 11% from the FY04 appropriated levels. Please explain how this represents an increase if we are going to spend less on S&T than we did last year.

Secretary ZAKHEIM. The increase I referred to is the FY 2006 S&T request compared to the FY 2005 S&T request, not the FY 2005 appropriated level—which includes substantial funding that the Department of Defense did not request.

QUESTIONS SUBMITTED BY MR. TURNER OF OHIO

Mr. TURNER I have been working with the Ohio National Guard and Senator DeWine to pass legislation that will give our guard and reserves and their families health care by allowing them to participate in TRICARE like active duty service members and their families. My legislation, HR 2176, would (1) make reserve and guard members and their families eligible to participate in the TRICARE program; (2) offer a partial subsidy for private health insurance premiums for family members of activated reservists and guardsmen who wish to retain their private health insurance; and (3) improve the transition coverage upon deactivation. Should we give our citizen soldiers every opportunity to attain affordable health care?

In a GAO study from last year, GAO found that more than 21 percent of reservists do not have health insurance and 40 percent of those individuals are in the junior enlisted ranks. If our citizen soldiers do not have access to health care, couldn't that become a readiness issue?

Secretary RUMSFELD. In considering proposals to expand benefits for reserve and guard members, it is important to recognize the excellent health care programs for reserve members and their families that are included in the President's Budget. When reservists are activated for more than 30 days, they and their families are covered by TRICARE, the same excellent health care program available to active duty members and their families.

The Department substantially improved reserve health care benefits in 2003 by expanding TRICARE Prime and TRICARE Prime Remote for Active Duty Family Members, and through the continuation of the TRICARE Reserve Family Member Demonstration Project.

In addition, TRICARE offers transitional health care benefits to reserve personnel and their family members upon separation from active duty. In order to be eligible, the Reservist must have been called up in support of a contingency operation and served on active duty for more than 30 days. The Transitional Assistance Management Program provides 60 or 120 days of TRICARE coverage (temporarily extended to 180 days by FY 2004 National Defense Authorization Act). The Continued Health Care Benefit Program offers up to 18 months of additional coverage to former Service members and their families who enroll and pay quarterly premiums.

The Administration opposes extension of TRICARE benefits to reservists and their families while not on active duty. Secretary Rumsfeld in July 2003 wrote to Congress, "These unfunded entitlements would drain resources from important programs benefiting our military, such as continued improvements in pay, quality of life, readiness and other pressing requirements."

The Administration also opposes partial reimbursement of civilian health care premiums should activated reservists wish to continue private coverage. It would create a non-uniform health benefit between family members of active duty and activated reserve members, and create a wind-fall for private health plans that collect premiums for the activated member whose health care will be paid entirely by TRICARE. Additionally, it would be administratively very cumbersome, expensive, and complex to administer.

We are deeply grateful for the great sacrifice of our reserve members. We believe that improving the medical readiness of reservists and improving access to health benefits for activated reservists and their families are the right approach to meeting the needs of the military.

QUESTIONS SUBMITTED BY MS. TAUSCHER

Ms. TAUSCHER. The Fiscal Year (FY) 2004 Defense Authorization bill establishes a task force to examine matters related to sexual harassment and violence at the U.S. Military Academy and the U.S. Naval Academy. Could you please tell me where DoD is in implementing the domestic violence recommendations of the task force?

Secretary RUMSFELD. Section 526 of the FY 2004 National Defense Authorization Act (NDAA) directs DoD to establish a task force to examine the U.S. Military and U.S. Naval Academies and allows one year from the appointment of the task force members for the task force to conduct the required examination and analysis and provide me their report. I am currently in the process of completing the member appointment portion of this requirement.

Regarding the implementing of recommendations from the Defense Task Force on Domestic Violence, we have made significant progress in this area. We have implemented approximately 65 of 194 Defense Task Force on Domestic Violence recommendations. Implementation has occurred primarily by means of updating/revising legislation, issuing policy, collaboration and training.

Regarding legislation, the FY 2004 NDAA revised transitional compensation (TC) legislation to allow TC payments to commence as of the date a court martial sentence is adjudged (enabling payments to begin earlier), to provide Service Secretaries flexibility in authorizing TC benefits, and to clarify TC eligibility in voluntary and involuntary separations. The FY 2004 NDAA also revised legislation pertaining to shipment of household goods (HHG) to allow a spouse or parent of a child (instead of Service member only) to request shipment of HHG and a motor vehicle whether or not the family is stationed in the continental United States or overseas. This provision allows for a family member to request relocation away from an abusive spouse due to safety concerns. Finally, the FY 2004 NDAA requires the Military Services to conduct a fatality review in each fatality known or suspected to have resulted from DV or child abuse. Fatality reviews will allow the Military Services to formulate lessons learned and identify trends and patterns that assist in developing policy recommendations for earlier and more effective intervention.

Regarding policy, several directive-type memoranda revising and updating domestic violence (DV) policy have been issued to include:

- awareness of the DV amendment to the Gun Control Act of 1968 (commonly known as the Lautenberg Amendment)
- the Armed Forces Domestic Security Act, which provides for a civilian order of protection to have the same force and effect on a military installation as in the jurisdiction in which it was issued
- establishing training criteria for commanding officers and senior enlisted non-commissioned officers, chaplains and health care providers
- requiring installation officials to seek memoranda of understanding with civilian agencies
- establishing fatality review teams; and guidance for issuing military protective orders.

Regarding collaboration and training, we have partnered with the Office on Violence Against Women, Department of Justice (OVAW, DoJ) to develop a plan of action for joint initiatives to address DV in the military. The plan of action includes training for law enforcement, victim advocates, chaplains, and fatality review team members and calls for conducting two coordinated community response demonstration projects (Jacksonville, FL and Ft. Campbell, KY). The law enforcement training focuses on fostering collaboration among law enforcement, judicial, and victim advocate systems of the military and civilian communities. To date, four DoD trainings have been conducted at Ft. Bragg, NC, Kings Bay, GA, San Diego, CA, and Honolulu, HI reaching approximately 100 personnel. Two additional trainings are planned for FY 2004 in Seattle, WA and Norfolk, VA.

In March, the first ever DoD Victim Advocate conference was held in Savannah, GA reaching approximately 100 DoD personnel. Another DoD Victim Advocate conference is scheduled for August for another 100 DoD personnel.

In May, the first ever DoD conference addressing the role of the military chaplain in responding to DV will be held in Washington, DC for approximately 50 military chaplains. Another such training is scheduled for October.

In July, the first ever DoD fatality review team member training will be conducted in Washington, DC for approximately 100 DoD personnel.

Finally, in collaboration with the OVAW, DoJ, the DoD is conducting two coordinated community response demonstration projects at Jacksonville, FL and Ft. Campbell, KY. The goal of the projects is to develop a coordinated community responses to DV, focusing on enhancing victim services and developing special law enforcement and prosecution units.

Ms. TAUSHER. I understand the Department of Defense intends to proceed with a plan to revise the existing DoD Directive 1344.7, "Personal Commercial Solicitation On DoD Installations," February 13, 1986.

In a letter from you dated December 18, 2003 to members of the House Armed Services Committee you state: "Our current plan is to obtain additional public comment by publishing a revised draft Directive as a proposed rule in the Federal Register and holding a second forum in March 2004 prior to issuing the DoD Directive in final form. We will comply with all applicable laws throughout the process." The language provided at section 8130, P.L. 108-87, requires the Secretary of Defense to give Congress 90 days notice before implementing a change to Directive 1344.7. Thus, the clear Congressional intent of section 8130, P.L. 108-87, is that the Sec-

retary must give notice 90 days prior to publication in the Federal Register. To my knowledge, Congress has not received a formal notice from the Department of Defense of its intention to alter the current directive. Why is DoD seemingly prepared to violate the law and the spirit in which law makers intended this provision?

Secretary RUMSFELD. The Department's intent is not to limit investment or insurance choices, but to take prudent steps on our military installations to protect Service men and women from deceptive sales practices. The Department intends to fully comply with section 8130 of P.L. 108-87 and section 586 of P.L. 108-136 by providing Congress with the required notice prior to implementing of any revision of DoD Directive 1344.7. In order to determine what changes are appropriate, the Department will publish a draft revised Directive in the Federal Register and hold a public forum to receive comments on the draft. The Department will then consider those comments in determining appropriate changes to the Directive, and then provide the required notice to Congress.

Ms. TAUSHER. Market conduct concerns are best addressed through consistent enforcement of the current rules and through cooperation with the National Association of Insurance commissioners. What is your current factual predicate today that suggests there is misconduct on military installations necessitating a change to the current directive?

Secretary RUMSFELD. A 1999 DoD Inspector General report found policy violations concerning commercial insurance solicitation. A 2000 DoD study validated the DoD IG report findings. During 2002-2003, the Army suspended 12 insurance agents from soliciting on various installations.

At the August 22nd public meeting attended by fifty-seven insurance company officials, insurance association representatives, bank and credit union representatives, and financial planners provided comments on the current DoD Directive. During that public meeting, two military personnel, one Army and one Air Force, and a Navy spouse submitted written comments. They expressed concern with sales practices used by some businesses currently engaged in on-base commercial solicitation.

The Department intends to develop a policy that will shield Service members from deceptive sales practices while allowing them access to products and services that fulfill their needs. Through our process of obtaining public input, we foresee we will be able to reach this balance in the proposed policy.

Ms. TAUSCHER. In a \$400 billion DoD budget, why can't we provide what is necessary to provide decent housing and facilities for our troops and their families? Why are Milcon and Family Housing suffering double-digit percentage cuts in the DoD budgeting process?

Secretary ZAKHEIM. The FY 2005 family housing budget submitted contained approximately \$185 million more than was enacted for family housing in the FY 2004. The elimination of inadequate housing is a Presidents Management Initiative agenda item and a top Department of Defense priority. It is the Departments goal to eliminate inadequate family housing by FY 2007. This goal is being accomplished by (1) eliminating out-of-pocket expense for off-base housing where over 60 percent of our Service members live, (2) through traditional military construction to replace or repair existing inadequate housing, and (3) via the privatization of military housing.

The FY 2005 Presidents budget reduces the out-of-pocket expense for the average Service member to zero (down from 18.8 percent in FY 2001). It contains funding to eliminate over 32,000 inadequate units worldwide via traditional military construction (8,000 units) and privatization (24,000 units). The Presidents FY 2005 Family Housing budget submission supports the elimination of nearly all of the Departments inadequate family housing units by FY 2007.

QUESTIONS SUBMITTED BY MR. LOBIONDO

Mr. LOBIONDO. Secretary Rumsfeld, it is my understanding that data calls are being done for every military installation in preparation for the next round of Base Realignment and Closure, and I have some questions regarding the process. Are Members of Congress prohibited from reviewing the list of questions presented to each military base, as well as the responses to these questions? When will Members be able to review the questions and answers? Are the personnel tasked with preparing these data calls and answering them required to sign any non-disclosure statements? Are Members of Congress allowed to see an example of the non-disclosure statement?

Secretary RUMSFELD. BRAC is a decision making process that extends over a long period of time and which will not result in final closure and realignment recommendations until May of 2005. In order to protect the integrity of that process,

the details of it must remain internal to the Department of Defense until I issue my closure and realignment recommendations. This is necessary to follow the statutory BRAC direction to treat all installations equally, preserve the deliberative process, and prevent public confusion.

Revealing details of the decision making process through the release of such things as data call questions, criteria weights, or any sub criteria before I have made my closure and realignment recommendations could: taint the integrity of the BRAC process by opening it up to external (and unequal) influences; inhibit open and frank discussions necessary to produce quality decisions; and create public confusion from the disclosure of reasons and rationales that were not in fact ultimately the grounds for a decision or from the disclosure of proposed decisions that were not in fact adopted.

However, all of this information will be provided to the Commission and the Congress upon submission of my recommendations.

Regarding the requirement to sign non-disclosure agreements, yes, personnel tasked with preparing and answering data calls must sign a non-disclosure agreement.

Mr. LOBIONDO. Are the responses to the data calls sent out over communications networks that usually handle classified information? Are the data call questions listed as classified information? Are the responses to the data calls listed as classified information? What classification levels, if any, are used?

Secretary RUMSFELD. The data call questions and the answers thereto are generally not classified, unless the information requested is classified. However, the information is reflective of internal DoD deliberations and, as such, not appropriate for transmission outside the Department. Revealing details of the decision making process before I have made closure and realignment recommendations could: taint the integrity of the BRAC process by opening it up to external (and unequal) influences; inhibit open and frank discussions necessary to produce quality decisions; and create public confusion from the disclosure of reasons and rationales that were not in fact ultimately the grounds for a decision or from the disclosure of proposed decisions that were not in fact adopted.

However, all of this information will be provided to the Commission and the Congress upon submission of my recommendations.

Mr. LOBIONDO. What are the specific procedures DoD will follow if a local base commander submits an answer to the data call, and then his or her recommendation is disputed by those above them? What can a local base commander legally do if he or she does not agree with the changes made to their original answer, and believes the justification for the change is not adequately supported by the evidence? Similarly, what recourse do base commanders have if they feel their answers are being changed by those above them for what they suspect are political or militarily illegitimate reasons? Because of the non-disclosure statements they have signed, who can they appeal to? Will DoD maintain a database of all answers that were changed, as well as the originally submitted answer, so that BRAC commissioners will be able to review areas of dispute and decide for themselves which answer is more credible and better supported by the evidence? When will Members of Congress be able to review any disputed answers or answers that were changed after the local base commander initially responded?

Secretary RUMSFELD. Section 2903(c)(5) of the BRAC statute requires specified personnel to certify to the best of their knowledge and belief that information provided to me or the 2005 Commission concerning the realignment or closure of a military installation is accurate and complete. In order to facilitate the statutory certification, DoD Components and Joint Cross-Service Groups are required to develop internal control plans, reviewed by the DoD IG, that include procedures for certifying data and information collected for use in BRAC 2005. These procedures include checks and balances on data integrity to ensure the most accurate information is used within the BRAC process. Individuals within the certification chain cannot simply change data without justification and documentation, as specified in these internal control plans. All information used within the BRAC 2005 analysis process, to include documentation of the certification process, will be made public after I forward my closure and realignment recommendations to the Commission and Congress in May 2005. This information will also be subject to audit by the General Accounting Office.

Mr. LOBIONDO. Are the non-disclosure statements that local base commanders are required to sign (about the data calls) specifically required by law, or is this something that DoD decided to do on its own? If required by law, what part or parts of the laws that authorized the 2005 BRAC round is DoD citing which specifically required local base commanders to sign a non-disclosure statement? Please provide the appropriate statutory citations. Were local base commanders and other persons

tasked to respond to the data calls during prior BRAC rounds required to sign such statements?

Secretary RUMSFELD. The Department decided to require participants in the BRAC 2005 process to sign non-disclosure agreements because the public and all levels of federal, state, and local government have a right to expect and trust that the BRAC process will be conducted objectively and impartially. The disclosure of deliberative BRAC information before I have issued my final recommendations undermines that expectation and trust and therefore must be prohibited. Pursuant to the authority I granted to him for issuing the operating policies and detailed direction necessary to conduct the BRAC process, the Under Secretary of Defense for Acquisition, Technology & Logistics issued the first BRAC policy memorandum, Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum One—Policy, Responsibilities, and Procedures, which provides that “[a]ll participants in the BRAC 2005 process must sign a non-disclosure agreement before they are allowed access to the BRAC 2005 process.”

Mr. LOBIONDO. The budget indicates that a realignment of our overseas bases will be made in conjunction with the BRAC process. What can you tell us about the status of this restructuring of our worldwide presence and where are you in the decision making process? I am concerned that we will bring back force structure from overseas before we get too far into the domestic BRAC process and that we have enough installations to handle future surge needs. Will the overseas BRAC be done prior to the domestic BRAC and if so, will it be prior to the determination of the closure list for the domestic round?

Secretary RUMSFELD. Yes, decisions on overseas posture will be made during 2004 and early 2005 in advance of recommendations to the BRAC, as there will be significant implications for the BRAC, with some personnel and force structure returning to the U.S., and other personnel and force structure moving forward from U.S. locations. Both the BRAC and the global defense posture review are critical elements of our defense transformation. The BRAC will be vital for providing necessary infrastructure for returning U.S. forces. As was the case with previous BRAC rounds, the U.S. will retain a domestic infrastructure sufficient to provide for difficult-to-reconstitute assets to respond to surge needs and to accommodate a significant reconstitution of the force as necessary, including all forces based within and outside the United States.

Mr. LOBIONDO. Secretary Rumsfeld, homeland defense is obviously a primary mission and was identified as one of six transformational goals in the 2001 defense review. I realize air defense was considered a low priority mission after the Cold War, but post-9/11 it is again a high priority. I have the 177th Fighter Wing in my district flying Combat Air Patrol and am concerned that we are using older aircraft, specifically Block 25 F-16s for what has become one of our most important missions. I am supportive of future fighter programs, but also know first hand the importance of maintaining our legacy force. With the Air Force not buying F-16s at this time, we must maximize the iron we have and consider whether or not we need to supplement it temporarily until the Joint Strike Fighter comes online. What are your thoughts on this?

Secretary RUMSFELD. The Department shares your concern for the maintenance of our legacy aircraft while we develop and procure the next generation of aircraft. To meet this challenge, the Air Force continues to balance its investment in new platforms with modernization and sustainment of older aircraft—including the F-16 fighters. One such initiative is Falcon Star—a service life extension program currently funded and designed to keep the F-16 flying beyond the arrival of the Joint Strike Fighter.

Mr. LOBIONDO. How many helicopters have we lost in Afghanistan and Iraq to date? How do you plan to replace them?

Secretary RUMSFELD. As of January 2005, the Department of Defense has lost 64 helicopters in Iraq and Afghanistan. This figure does not include damaged aircraft that are economically repairable, only those destroyed or damaged beyond repair. The following losses are reported by service:

Branch of Service	Helicopter Type	Qty Destroyed/Damaged Beyond Repair
Army:	AH-64	13
	UH/MH-60	11
	CH/MH-47	7
	OH-58D	16

Branch of Service	Helicopter Type	Qty Destroyed/Damaged Beyond Repair
Marine Corps:	AH-1	5
	UH-1	4
	CH-46	3
	CH-53	5
Special Operations:	MH-53	6

We are utilizing several methods to replace these aircraft. For the aircraft with active production lines (AH-64 & UH-60) we have requested additional funding in the fiscal year 2005 emergency supplemental to procure replacements for the lost aircraft. For those aircraft without active production lines, we are doing the following:

1. Reestablish a new production capability (re-open the production line) (UH-1 & AH-1).

2. Re-align current inventory of aircraft between services, components or units until the next generation (replacement) aircraft is fielded. (CH/MH-47, OH-58D, CH-46 & MH-53)

3. Drawing CH-53 (Marine Corps only) aircraft from War Reserve storage and returning them to active status. This effort requires bringing each aircraft to current standards (maintenance) and performing all modifications.

Mr. LOBIONDO. Is Combat Search and Rescue [CSAR] being accomplished by designated forces or as a duty of Special Operations forces? Is a replacement CSAR helicopter being procured? What is its status in the budget and in terms of procurement?

Secretary RUMSFELD. Each Service as well as USSOCOM is responsible by doctrine for performing combat search and rescue (CSAR) in support of its own operations, consistent with its assigned functions. Consequently, each has capability to do that mission, although the capabilities differ. When operating in combined commands, the Joint Force Commander decides how to employ the assets assigned to him, including Combat Search and Rescue aircraft. So each service as well as SOCOM may be called on for its own recovery missions, or could be tasked to serve the combined force, depending on the situation.

The Air Force HH-60G is an especially capable CSAR asset that is often sought by Joint Force commanders, but these aircraft are aging. The Air Force has obtained Joint Requirements Oversight Council approval for a Personnel Recovery Vehicle (PRV) Operational Requirements Document to replace the HH-60Gs. The President's Budget for FY 2005 requests RDT&E funding for two development test vehicles and the design, integration, testing, and certification of the PRV mission components required by the Operational Requirements Documents. The RDT&E funding is linked to advance procurement funding planned in FY09.

QUESTIONS SUBMITTED BY MR. BISHOP

Mr. BISHOP. It has come to my attention that some recent combat deaths in both Iraq and Afghanistan may have been classified by the Department of Defense as "homicides" rather than "killed in action," which would have the legal effect of denying the surviving family members certain benefits. Specifically, it has been alleged that the death of a Serviceman, a private first class from New Jersey, in Iraq on January 2, 2004, was so-designated to the detriment of his family.

I would appreciate your office investigating these allegations and to report back to the Committee regarding the official Department of Defense policy on classification of deaths in theater, as well as your findings regarding the current situation and any corrective actions taken with regard to deaths of Servicemen and women killed in Iraq and Afghanistan.

Secretary RUMSFELD. Department of Defense Instruction 1300.18 "Military Personnel Casualty Matters, Policies and Procedures" is the governing Instruction on how the military Services report casualties. It requires the military Services to record and report, to the most realistic extent possible, a full and accurate accounting of the death or missing status of all active duty military personnel. The Secretaries of the Military Departments are responsible for ensuring the accuracy and validity of casualty information.

"Killed in Action" or KIA is one of several casualty categories and is defined as, "a casualty category applicable to a hostile casualty, other than a victim of a terrorist activity, who is killed outright or who dies as a result of wounds or other injuries

before reaching a medical treatment facility." Hostile Casualty is defined as a person who is the victim of a terrorist activity or who becomes a casualty "in action." "In action" characterizes the casualty as having been the direct result of hostile action, sustained in combat or relating thereto, or sustained going to or returning from a combat mission provided that the occurrence was directly related to hostile action. Included are persons killed or wounded mistakenly or accidentally by friendly fire directed at a hostile force or what is thought to be a hostile force.

However, not to be considered as sustained in action and not to be interpreted as hostile casualties are injuries or death due to the elements, self-inflicted wounds, combat fatigue, and except in unusual cases, wounds or death inflicted by a friendly force while the individual is in an absent-without-leave (AWOL), deserter, or dropped-from-rolls status or is voluntary absent from a place of duty. Homicide is not a classification or category of death, but only describes the manner of death. There have been no homicides from Operation Enduring Freedom and four homicides reported from Operation Iraqi Freedom: 2 Army (One from PA on 22 March 2003 and one from NY on 25 May 2003), 1 Air Force (ID on 25 March 2003) and 1 Navy (NE on 17 July 2003).

Records indicate that on 2 January 2004, Army SPC Marc S. Seiden from Brigantine, NJ was KIA as a result of a bomb explosion, multiple blast and shrapnel injuries along with two other soldiers.

The concerned Service provides families of service personnel who die on active duty with a DD Form 1300 "Report of Casualty," which is used to provide an official record of the death or missing status of a military member, and also as the basis for collecting benefits. In SPC Seiden's case, the DD Form 1300 accurately reflects in Block 5 "Casualty Information" Type: Hostile, Category: Killed in Action, Date of Casualty: 2 January 2004, Place of Casualty: Baghdad, Iraq and Cause and Circumstance: Hostile Action, Explosion.

Families of service personnel who die or are killed overseas also receive a DD Form 2064 "Certificate of Death (Overseas)" issued by the Armed Forces Medical Examiner (AFME). The DD Form 2064 has four options for the AFME to select under Mode of Death: Natural, Accident, Suicide or Homicide. After 1 May 2003, when the end of hostilities were declared, the option of Homicide was selected in all combat deaths to facilitate formal investigations and make cases easier to defend in possible war crimes trials. Every death in Iraq is being treated by the AFME as a homicide and a criminal investigation is conducted. If suspects are ever apprehended, they can be brought to justice.

For information purposes, a fact sheet that identifies survivors' compensation is shown below. The stated cause of death has no bearing on benefits received by survivors of Service members who die in a combat zone.

The Office of the AFME has been requested to provide a complete update on the completion of the DD Form 2064 and the rationale behind specific mode of death determinations.

Service casualty offices will be requested to ensure that families of personnel killed in Iraq are provided a more detailed explanation of the information contained on the DD Form 2064.

Compensation of Survivors of U.S. Military Personnel

Death Gratuity—A \$12,000 tax-exempt death gratuity provides immediate cash to meet the needs of survivors.

Government Housing or Allowances and Relocation Assistance—Survivors receive rent-free Government housing for 180 days or the tax-free Basic Allowance for Housing (BAH) appropriate to the member's grade for any portion of the 180 day period while not in quarters. Survivors are also entitled to transportation, per diem, and shipment of household goods and baggage.

Burial Costs—The Government reimburses up to \$6,900 of expenses for the member's burial, depending on the type of arrangements and will provide travel for next-of-kin under invitational travel orders.

Unused Leave—Payment is made to survivor for all the member's unused accrued leave.

Service members' Group Life Insurance (SGLI)—Service members are automatically insured for \$250,000 through the SGLI program, but may reduce or decline coverage as desired. Although participating members must pay premiums, SGLI is a government-sponsored insurance program that enables U.S. Service members to increase substantially the amount available to their beneficiaries in the event of their death.

Dependency and Indemnity Compensation (DIC)—The Department of Veterans' Affairs (DVA) pays a tax-free monthly amount to an unmarried surviving

spouse of a Service member who dies on active duty or from a service-connected disability. The basic spouse DIC is a flat-rate annuity of \$967 per month.

An additional \$241 is paid for each dependent child until age 18. The law provides special additional amounts to meet specific needs.

Uniformed Services Survivor Benefit Plan (SBP)—Eligible spouses and children of Service members may also be entitled to monthly payments under the SBP.

Effective September 10, 2001, a surviving spouse (children are entitled if there is no surviving spouse or the spouse later dies) of a member who dies on active duty is entitled to SBP. The annuity is 55% of retired pay while under age 62 and 35% while age 62 and older.

The law offsets a spouse's DIC entitlement from SBP. Thus, a surviving spouse may receive the full DIC plus that part of the SBP entitlement that exceeds the DIC payment. A spouse loses entitlement to SBP if remarried under age 55, but may be reinstated if that marriage ends through death or divorce.

VA Education Benefits—The surviving spouse and dependent(s) may also qualify for up to 45 months of full-time education benefits from the VA.

Social Security—Death benefits are provided for a spouse caring for the member's dependent children under age 16, a surviving spouse during old age, and for eligible minor children of an insured Service member. Benefits depend on the family status of the deceased member, and are the same as for the family of any deceased civilian worker insured under the same circumstances.

Health Care—An unremarried surviving spouse and minor dependents of the member are eligible for space-available medical care at military medical facilities or are covered by TRICARE/CHAMPUS (MEDICARE after age 65). Dental insurance coverage and full TRICARE/CHAMPUS are extended for three years after the member's death.

Commissary and Exchange Privileges—The unmarried surviving spouse and qualified unmarried dependents are eligible to shop at military commissaries and exchanges, normally providing a savings over similar goods sold in private commercial establishments.

Tax Benefits—The next-of-kin of a Service member whose death occurs in a combat zone or terrorist or military action is exempt from paying the decedent's income tax for at least the year in which the death occurred. Payments made by the VA are tax-exempt. The Death gratuity of \$12,000 is tax exempt.

Mr. BISHOP. You have mentioned the need for more jointness between the Services where it makes the most sense in various areas as key components of your transformation strategies. We have a situation in Utah, at the U.S. Army Dugway Proving Ground that highlights some of the challenges of this strategy as regards cooperation between the Air Force and the Army. Specifically, there is an Army Airfield, Michael Army Airfield, which is in dire need of refurbishment. The Air Force relies on this airstrip to make emergency landings for pilots using the Utah Test and Training Range, and it is not uncommon for the airstrip to be used several times per month for this purpose. The cost of saving one F-16 would almost pay for the cost of refurbishing this airstrip which is soon to be decertified for use because of its extremely poor condition. The \$35 million project has been in the five-year Army MilCon budget and was supposed to have been funded in this year's submission. However, because the Army lacks a flight mission, the Army does not view this project as an Army priority even though Army Ranger training has been taking place there. However, Air Combat Command within the Air Force views the project as vitally needed, and it has not been funded through Air Force because the airstrip is Army real estate. It's a classic catch-22 situation with regard to funding between the Services.

I am concerned that this Army decision may have been budget driven without regard to the impacts or vital requirements of the Air Force.

I would request that someone at the OSD level ought to take a second look at this specific situation of a lack of coordination between the Services and get back with my office to discuss how this impasse may best be addressed.

Secretary RUMSFELD. Michael Army Airfield (MAAF) is utilized by active duty Air Force, Air National Guard, Air Force Reserve, Army aviation elements, Navy aviation elements, and contractors working at Dugway Proving Ground. In 2001, the Dugway Proving Ground Commander closed portions of MAAF due to its condition, making it too short and too weight-restricted for F-16s. In the absence of MAAF, Air Force aircraft could utilize the Wendover Utah airport as an alternate/divert airfield. However, this would require the installation of a VORTACAN and an aircraft-arresting barrier at that site. Since MAAF is Army real property, it was left to the Army to program repairs to the airfield.

The current system is designed to ensure operational requirements of the combatant commands are given a high priority. Although the situation at Dugway is important, other competing priorities prevented this project from being fully funded. The Army has identified the airfield as a valid requirement and is moving forward by programming Phase 2 and 3 in its Future Years Defense Program. Section 1902 of Public Law 108-11, Emergency Wartime Supplemental Act for Fiscal Year 2003, authorized the State of Utah to fund \$2 million for construction and surveillance and administration, allowing the runway to be increased from 7,000 feet to 9,000 feet. Phase 1 construction is now complete. Phase 2 and Phase 3 are programmed in the FYDP for \$25 million and \$15.2 million, respectively.

Scope of Phase 1: Removed the original, abandoned runway and replaced it with an interim asphalt runway (9,000 feet x 150 feet). Installed lighting and precision approach path indicators. The interim runway, which will eventually become the parallel taxiway, was done as phase 1 to allow continued use by everyone pending the complete rebuild of the main runway.

Scope of Phase 2: Remove existing main runway and replace with 11,000 feet x 150 feet new main runway, with a center keel section (75 ft. wide) of concrete, remainder of runway to be asphalt. Construct 100,000 square foot decontamination pad, five connector taxiways, and electrical vault to house all airfield lighting and power equipment.

Scope of Phase 3: Convert the interim runway (Phase 1) into a primary taxiway and extend 2,000 feet. Install additional runway lighting, all-weather navigation systems, precision instrument approaches and landing system and complete all other required infrastructure.

QUESTIONS SUBMITTED BY MR. RYAN OF OHIO

Mr. RYAN. It has come to the attention of this committee that the Army and Marines are woefully short on vehicles, such as Hummvee's that have the adequate amount of protective armor. Is the Department of Defense doing everything within its power to procure the necessary equipment for our soldiers? Have you looked into additional suppliers for equipment that we are currently short on?

Secretary RUMSFELD. I assure you Congressman that the Department is indeed doing everything within its power to procure the necessary equipment for our soldiers. We have explored all avenues for providing required armor for vehicles in use by our deployed forces to include searching for additional suppliers and accelerating production to the maximum extent possible. The "Up Armored HMMVV" (UAH) was developed to provide ballistic crew protection and blast protection. The current Coalition Forces Land Component Command (CFLCC) requirement is 4,402 and is being provided from multiple sources to include new production and redistribution from both CONUS-based and in-theater units. We expect fielding to be complete by Oct. 2004. We also identified a requirement for armoring kits called Add on Armor (AoA) for HMMVVs already in the field. The current funded requirement is 8,400. These kits are shipped to Kuwait and Balad when available. There are currently 8 installation sites in SWA (two in Kuwait and six in Iraq) with an additional site operational within the next week. Projected completion date for installation of AoA kits is July 2004.

The USMC Program Manager for Motor Transport has aggressively implemented a plan to harden vehicles used in theater to increase the survivability of both the vehicle and the Marines operating them. The Marine Corps is doing everything in its power to harden vehicles used in support of Operation Iraqi Freedom II. I Marine Expeditionary Force (MEF) Requirements for vehicle hardening totaled 3,049. As of 28 March, from a combination of medium and temporary kits, 106% of I MEF door-hardening requirements have been delivered in-theater. For the near-term, manufacturing of 1187 Marine Corps Logistics Center (MCLC) "L" shaped door kits utilizing 3/8" steel has begun. These doors will give I MEF an "L" shaped or AoA door for their entire 3049 medium vehicle requirement; delivery late Apr/early May. The contracting of ballistic glass windshields has been completed and will be delivered into theater within 60 days.

For the mid-term, the designing of a "tailored" Marine configured HMMWV Army Research Laboratory (ARL) integrated kit will begin; anticipate first delivery in time for OIF II-2. Development of the Medium Tactical Vehicle Replacement (MTVR) prototype armor kits will continue. Testing for reliability, availability, maintainability, and durability (RAM-D) and ballistic will take place April-May 04.

Mr. RYAN. The safety of our troops cannot be negotiable. Every man or woman serving our nation in Iraq should know that, as they stand in harms way, they are equipped with gear, supplies, and equipment that will ensure their safety to every

extent possible. Tragically, many of the service men and women have had to face the conflict in Iraq without the protection they deserve. How is your office working to ensure that incidents such as these never happen again?

Secretary RUMSFELD. Congressman Ryan, I commend and support your position regarding the safety of our troops. We have taken every action possible to fully identify and satisfy requirements for Individual Body Armor (IBA) for our deployed forces to include accelerating production and distribution of these assets to the field. IBA consists of two components, Small Arms Protective Inserts (SAPI) and Outer Tactical Vests (OTV). Army OIF and OEF requirements have been satisfied 100%. Coalition Forces Land Component Command (CFLCC) has some small shortage of IBAs but this shortfall should be resolved by the end of this week (16 April 04). I need to point out that our initial intent was to provide our ground combat troops with IBA and the plan called for gradual phasing in of this equipment over a period of years. As events have developed, we re-assessed our position and have expanded the requirement to include support forces. In essence, initial SAPI shortages were not a result of funding, distribution or production. Meanwhile, current Army requirements are fully funded.

The Marine Corps is doing everything in its power to outfit every deploying Marine with the best Individual Combat Clothing and Equipment (ICCE). Fielding of the most effective piece of protective ICCE, the Interceptor protective vest system, began in late 1999/early 2000. The Interceptor system includes an Outer Tactical Vest (OTV) with two Small Arms Protective Inserts (SAPIs). Today, All Marines and assigned Navy personnel deployed for OIF II have both the OTV and SAPI plates.

Mr. RYAN. A couple of the issues. One, as I am sure you are familiar with, the Berry amendment provides these waivers for companies who can't seem to comply. One of the industries is the titanium industry, and the Air Force has been frequently purchasing their titanium from a Russian company. There are only about three United States companies left. And I wonder if you could just explain for a minute or two on what these waiver decisions are based on and getting the titanium from a company in Russia that doesn't have the same environmental laws, labor laws as we do in this country.

Secretary RUMSFELD. The Berry Amendment provides an exception for cases where an authorized official determines that satisfactory quality and sufficient quantity of a domestically-produced item cannot be procured as and when needed at United States market prices. As a matter of policy, this authority cannot be re-delegated.

Before using this exception, the authorized official considers whether there is an acceptable alternative solution that would not require a waiver under the Berry Amendment. There have been some cases where items that may contain foreign titanium were the only items that could satisfy the DoD requirements. In those cases, determinations of unavailability of domestically-produced items have been made to authorize the procurement of items that may contain titanium not melted in the United States. However, this does not necessarily mean the specialty metals used in these items were produced outside the United States. It may mean that under the circumstances the supplier was unable to certify as to the origin of the specialty metals it uses in each and every component or material of its deliverables.

Mr. RYAN. Mr. Secretary, it has come to my attention that for the bulk of the war in Iraq that our guard and reserve troops have not had adequate access to special body armor known as Interceptor Body Armor. General Schoomaker, the Chief of Staff of the Army, testified before this committee on January 28, 2004, that as of the end of that month all soldiers and Department of Defense personnel would have been equipped with these valuable pieces of life saving equipment. What assurances can you offer this committee that these goals have been met?

General PACE. I can assure you that there is enough Interceptor Body Armor (IBA) in theater to meet the CENTCOM requirement of one IBA per US military member (regardless of component) and DOD civilian in Iraq.

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—SECRETARY OF THE NAVY; CHIEF OF NAVAL OPERATIONS; COMMANDANT OF THE MARINE CORPS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, February 12, 2004.

The committee met, pursuant to call, at 9:03 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. This morning, the committee will continue its review of the fiscal year 2005 Defense budget request, with a look at the Department of the Navy. Because votes for today were canceled, our attendance may not be that high, but I wanted to proceed with the hearings because the issues we are going to discuss are too important to wait. We have a chock-a-block schedule and anytime we have an opportunity to talk with our naval leadership, it is appreciated.

We know you have a tight schedule, too, and lots of work to do, Mr. Secretary. So thank you for being with us today, and thank you, too, to the Honorable Gordon R. England, Secretary of the Navy; Admiral Vern E. Clark, Chief of Naval Operations; and General Michael W. Hagee, United States Marine Corps, Commandant of the Marine Corps. Thank you very much, gentlemen, for being with us.

Mr. Secretary, we are particularly pleased to have you back heading up the Navy instead of consorting with those homeland security folks. Their job is vital. They are great people, but no one will blame this committee if we are little selfish about wanting to see the best talent in the Department of Defense (DOD), so welcome back.

Secretary ENGLAND. Thank you.

The CHAIRMAN. This year's defense budget request, \$119.2 billion for the Department of the Navy, is \$3.9 billion more than the fiscal year 2004 peacetime budget. That is a good step in continuing on the path the President charted to restore the health of our military services after a decade of neglect in the 1990's.

In particular, I am glad this budget addresses some personnel issues that this committee has worked long and hard to get fixed, including the 3.5 percent pay increase, and increases to basic hous-

ing and subsistence allowances so that our service people do not face any out-of-pocket expenses when moving into private housing.

I am also encouraged by significant increases for next generation systems such as the DD(X), the next generation aircraft carrier, and the Littoral Combat Ship (LCS). These all represent solid investments in the people who are protecting us today and the hardware that they will use tomorrow.

Gentlemen, as you know, the committee has long had bipartisan concerns about the adequacy of force structure. The Global War on Terror has only increased the demands on our forces and heightened some of these concerns. While no one should doubt the readiness, lethality, commitment or ability of the U.S. military to defeat our enemies in war, we do have to look ahead. The war on terror will be long, and I have my doubts that the stresses we are currently experiencing will be temporary.

The good news is the Administration is looking ahead, too. General Schoomaker has already developed a concept for increasing the number of Army brigades without increasing end strength. The Navy has done something similar with this fleet response plan, which would give us six highly deployable aircraft carriers, instead of the four we are accustomed to having already deployed.

We should commend the Department for coming up with creative approaches to address the increased demands that the Global War on Terror is making on our forces, but the jury is still out as to whether it has come up with the ultimate solution. I hope that today's hearing will help us begin to answer these questions as our senior Navy and Marine officials walk us through the fiscal year 2005 budget request.

So gentlemen, we are all looking forward to your testimony and appreciate your appearance before the committee. Before we get to the Secretary, let me recognize my partner, the very distinguished gentleman from Missouri, Mr. Skelton, for any remarks he might want to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 219.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you very much.

Secretary England, Admiral Clark, General Hagee, thank you for being with us. At the outset, let me say how really proud we are of the young men and young women in uniform today. They give us pride and they serve with distinction, and we hope you will pass on to them that the members of this committee are grateful for their service.

Overall, I am pleased to see that the Department of the Navy receives increased fiscal year 2005 funding, \$3.9 billion over last fiscal year. Our troops give the best and they deserve the best, the best training, the best equipment. I commend you for trying to do that in this budget.

I am troubled by the Department's decision not to budget for any of the costs of the ongoing operations in Afghanistan and Iraq. These are established operations that undoubtedly will continue

through the year. It is our responsibility to budget fully for the costs we foresee. What troubles we most is what happens if you have to wait for a supplemental next year, in January, February or even possibly March. Where do we go from here?

There are three articles from various newspapers, and I will ask you, General Hagee in particular, and Secretary England, to answer these questions regarding this. The New York Times yesterday, "Service chiefs challenge White House on budget"; the Los Angeles Times, "Iraq, Afghanistan funds to dry up"; Washington Post yesterday, "Military chiefs testify of worries about war funding."

It is interesting to note, Mr. Chairman, that the Army, Air Force and Marine Corps chiefs have expressed concern about the funding. I am sure the CNO, Chief of Naval Operations, can explain why things are different for the Navy, which we appreciate.

With that, Mr. Chairman, I will yield and allow the questions to continue.

Thank you.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 223.]

The CHAIRMAN. I thank the gentleman.

Mr. Secretary, without objection, your statement and all statements will be taken into the record in their entirety. Thanks for being with us. The floor is yours.

STATEMENT OF HON. GORDON R. ENGLAND, SECRETARY OF THE NAVY

Secretary ENGLAND. Thank you very much, Chairman Hunter, Mr. Skelton and members of the committee. It is a distinct privilege and a great honor to appear before you again as the Secretary of the Navy. I will tell you, it is terrific to be back. It is terrific to be back with the very best Navy and Marine Corps, I believe, in our nation's history, and back with my teammates here with me today.

These are two of the finest military leaders with whom the Secretary could ever serve. Admiral Clark and General Hagee are both war fighters. They are also moral and professional role models and true visionaries. Our nation is indeed blessed to have their leadership at this time of great threat to the world.

The heaviest burden to defend liberty and freedom falls, as always, on the men and women of our armed forces, but that burden also falls on this committee. Your continuing support of our men and women in uniform, their families and our civilians is essential if we are to preserve and defend the freedoms and liberties that we all so cherish.

On behalf of all those great Americans in uniform, I thank you for ensuring that we are properly resourced. On behalf of all our deployed men and women, and especially their families, I also thank you for your personal visits to combat areas and home bases, and also for your personal support and encouragement in your talks and in your meetings in your districts of the value these marvelous volunteers bring to our Nation. The service of each of you on this committee is deeply appreciated.

I am pleased to report that the naval forces we are deploying today and planning to deploy for the future as contained in our pro-

posed fiscal year 2005 budget are vastly different and vastly better than I reported during my first appearance before this committee two years ago. Naval transformation is well underway.

People continue to be our most valuable asset. We are a strong, well-trained, highly motivated and combat-ready force. Retention is at record levels and recruiting continues robust. We have the very best people and their morale is high.

Our budget request continues to do what I call turn the corner for the Navy. We are investing in the next generation of surface combatants, the Littoral Combat Ship and the DD(X); a new aircraft carrier, CVN-21; and new sea-basing capabilities. We have increased funding for new aircraft platforms, namely the Joint Strike Fighter (JSF), the airborne electronic attack aircraft, multi-mission maritime aircraft, and a joint unmanned combat air system. We continue to invest in the many advanced technologies that will be incorporated in these platforms.

A guiding principle in all we do is improving the effectiveness to also gain efficiency. The fleet response plan, tactical air (TacAir) integration, and the establishment of the commander naval installations are a few of our initiatives to improve effectiveness within the Department. We are good stewards of the taxpayers' money.

The Navy-Marine Corps team has accomplished much during this past year. Nine carrier strike groups and ten amphibious ready groups deployed around the world in support of national security interests. Naval forces conducted missions ranging from combat operations in Iraq and Afghanistan, flexible deterrent operations and humanitarian assistance missions. We are today re-deploying Marine and Navy forces in preparation for Operation Iraqi Freedom (OIF) II. As I sit here today, your naval forces continue to demonstrate their immeasurable value to our Nation. Ladies and gentlemen of this important committee, I again thank you for the opportunity to appear before you today. Wherever I visit our sailors, Marines and their families, they are all proud to serve their Nation. I am privileged and proud to serve them.

I look forward to your questions. Thank you, Mr. Chairman.

[The prepared statement of Secretary England can be found in the Appendix on page 228.]

The CHAIRMAN. Thank you, Mr. Secretary.

Admiral Clark, good to have you back before the committee. The floor is yours.

STATEMENT OF ADM. VERN E. CLARK, USN, CHIEF OF NAVAL OPERATIONS

Admiral CLARK. Thank you very much, Mr. Chairman. Mr. Chairman and Representative Skelton and other distinguished members of this committee, good morning to you. I, along with the Secretary, would like to identify myself with his remarks. It is a privilege to be able to be here before you today representing the active and the reserve sailors and the civilians that are serving our Navy today.

It is also a treat to be here with Secretary England, to have him back, and my partner, General Hagee, to serve with leaders like this in this, the honor to serve our Navy and the naval services. These three folks here, we spend a lot of time together. We have

a tremendous partnership. I just want to report to you that the Navy-Marine Corps team is stronger than I have ever known it to be and I am proud to be serving in it.

This morning in a relative way, the Navy is less in the news this morning than it has been at other times in the year. The focus today is rightfully on the Army and their execution of Operation Iraqi Freedom. Very, very soon, my number one joint partner, the United States Marine Corps and General Hagee and his force, they will deploy again to Iraq. But even though we are less in the headlines today than we were earlier in the year, today still this morning, there are three carrier strike groups and two expeditionary strike groups, and 94 other ships deployed around the world. That is roughly one-third of our force.

Our ships and submarines are forward deployed today in places where the headlines are not always visible to the rest of the world, doing the nation's business, making sure that we are on-scene. That includes two of our large deck amphibious ships that recently surged forward supporting the transfer of Marine Corps aircraft to Operation Iraqi Freedom II.

A year ago at this time, our Navy was surging in a huge deployment ultimately reaching 55 percent of our fleet. We were an important part of that joint decisive team that conducted major combat operations last spring, using, I like to say, the vast maneuver space of the sea. We lifted, in fact, along with the Military Sealift Command fleet, 94 percent of the joint force that went to Iraq, projecting offensive combat power ashore, and extending our defenses into the littoral to defeat and in fact preempt Iraqi sea mines and conduct early warning and tracking of Iraqi ballistic missiles.

All of this highlighted our capability to take credible, persistent combat power to the far corner of the earth. That is our mission, anywhere and anytime we need to do so. The experiences of this past year have reaffirmed the importance of our total joint war fighting team. Certainly without it, major combat operations could have taken much longer.

So I appreciate the opportunity to appear today to talk to you about your great Navy. It is my privilege to thank you on behalf of the outstanding young men and women serving in uniform today, our civilians, our active and reserve people. I want to thank you for your continued support in making our Navy ready to respond to the needs of the Nation today, and for helping us create the Navy of the future.

All of us in the Navy—and I say this when I am on the road, too, talking to the citizens of America—all of us are grateful for what you all do in the Congress here. Your dedication and commitment to our nation's military is something that we are very proud of.

Since I have had this assignment as CNO, and I am on my fourth trip up here this year, I have been committed to increasing the key investment streams in our Navy, in our people, in transformation, and in our current readiness. This year, we continue that trend. In fact, it accelerates our investment in our Seapower 21 capabilities and vision. These are the programs that recapitalize and transform our Navy, and the Secretary has mentioned them. It delivers the right readiness at the right cost. We have the spot-

light shined on cost in your Navy. It has enabled us to respond to the needs of the nation, as I have mentioned. It continues to shape the 21st century workforce in a way that lets us get to the smarter but smaller group of sailors that are all about our future.

I know we have lots to talk about this morning, so Mr. Chairman I will not dwell on the program initiatives themselves. They are in my written statement. I am anxious to talk to specifics that you all are interested in. But I would like to say just one thing about our people. We recognize in the Navy that at the heart of everything good that is happening in the Navy is this one fact. We are winning the battle for people.

In everything that we do, I have a constant sight picture on the fact that for all of our advanced technology, for the best readiness that I have ever seen since I have been wearing the uniform, it is still our people that bring our capabilities to bear whenever and wherever our nation needs them. We have, as the Secretary mentioned, the highest retention rates that we have ever had in the history of our institution. That is for a lot of reasons: outstanding leadership in the ranks; new ways to grow and develop our sailors; improvements in pay and housing; innovative authorities that were approved by the Congress; competitive reenlistment and detailing processes, among others.

All this has made this the highest quality Navy that the Nation has ever seen. We will do whatever it takes to equip and enable our people, but at the same time we do recognize the true cost of manpower, that it is not free. As you can see from our request, we are requesting your approval to reduce our end-strength this year by some 7,900 people from our fiscal year 2004 levels.

Our strategy for doing this is simple. We are capturing the work on our ships and stations and improving our training processes. We are leveraging technology everywhere we can. We are decommissioning our older, more manpower-intensive platforms where the risks allow us to do so. We are rebalancing our reserves and active forces to deliver the right skills at the right time.

I am committed to building a Navy that can maximize the capability of our people and minimize the total number that is on the payroll. Our commitment to our people through the years has been this, to invest in them, to provide them with an opportunity to grow and to develop, to give them opportunities, to give them a chance to make a difference for our Navy and for America.

This is the covenant that we have with our people. Their performance, of course, and you all have seen them first-hand, their performance has been just absolutely magnificent. As our Navy delivers the more high-tech ships and aircraft in our future, our workforce will get smaller, but it also must get smarter. Your efforts over the years have been critical to our ability to attract and retain and shape the kind of workforce we need in this century. I want to report to you that your efforts have enabled us to do that. The process is working. I ask you this: Please continue to give us the tools that have helped make us successful.

I know that the battle for people is never won. It is, in fact, and I tell our leaders, this is a battle that we must wage every day. But I want you to know that the work that you do here in this room and on the House floor is so important to us and for us in accom-

plishing this task and our mission. So I look forward to discussing this with you today and in the months ahead.

I close by reporting to you that I am very proud to be part of this great Navy and Marine Corps team. This is a team that believes in the importance of what they are doing, and responding to it. I want you to know that our young people are responding to the messages that they are receiving from the Congress and to the people, the citizens of America. They hear and they sense what the citizens of the United States are saying to them, a message that the citizens of America support what they are doing.

Our people feel the trust and the confidence that you all have placed in them, and that the people of America have placed in them. It all starts right here in this body. I thank you for your support. I thank you for helping us make this Navy great. I look forward to your questions this morning.

Thank you, Mr. Chairman.

[The prepared statement of Admiral Clark can be found in the Appendix on page 248.]

The CHAIRMAN. Thank you, Admiral.

General Hagee, thank you for being with us this morning. The floor is yours.

STATEMENT OF GEN. MICHAEL W. HAGEE, USMC, COMMANDANT OF THE MARINE CORPS

General HAGEE. Thank you, sir. Chairman Hunter, Congressman Skelton, distinguished members of this committee, first I would like to thank you on behalf of all Marines for your visits outside the United States and inside the United States, to these great young Americans. It means an unbelievable amount to them that you take your time to go out and talk with them and get their concerns.

It is my privilege to report to you that your Marines, active and reserve, are well trained, well equipped, highly motivated and ready. Your support and that of the American people are critical and deeply appreciated by the Marines and their families. Your sustained commitment to improving our Nation's armed forces to meet the challenges of today, as well as those of the future, is vital to the security of our Nation.

The Marine Corps's first priority is and will continue to be war fighting readiness and excellence in support of our Nation. In the near term, the Marine Corps is focused on readiness to provide capable forces that meet the demanding needs of our nation. For the long term, the Marine Corps and Navy are committed to developing a sea-basing capability that will provide a critical joint competency for assuring access and projecting combat power ashore worldwide.

During the past year, the Marine Corps, both active and reserve, was engaged in operations in support of the Global War on Terrorism, from Afghanistan to the Arabian Gulf, the Horn of Africa, Liberia, the Georgian Republic, Colombia, Guantanamo Bay and the Philippines.

Highlighting the value of our expeditionary capability in Operation Iraqi Freedom, using a combination of forward-deployed Marine Expeditionary Units, maritime fleet positioning squadrons, two large amphibious task forces, and strategic air-and sealift, we

deployed a combat-ready and sustainable force of almost 70,000 Marines and sailors in less than 60 days. No one else in the world can do that.

Exploring the operational speed, reach and inherent flexibility of seapower, the Navy and Marine Corps closely integrated with joint and coalition partners and Special Operations Forces engaged in 26 days of sustained combat operations, fought 10 major engagements, destroying 8 Iraqi divisions, before stopping in Tikrit, almost 500 miles inland. Following major combat operations, the Marines assumed responsibility for security and stability operations in five of seven Iraqi provinces until coalition forces relieved them last September.

As the Secretary mentioned, the Marine Corps is currently preparing to deploy forces to relieve Army units in western Iraq in support of Operation Iraqi Freedom II. Over the next year, we will deploy two rotations of about 25,000 Marines for approximately 7 months. In preparation for this deployment, we are working closely with the U.S. Army in and out of Iraq concerning equipment, tactics, techniques and procedures.

We are also drawing on analysis of our experiences from last year, the tactics of the British, and our own extensive small wars experience. We have assimilated these lessons and developed comprehensive training packages that include rigorous ground and urban operations and language and culture education. We are paying particular attention to individual protective equipment, enhanced vehicle and aircraft hardening, and aviation survival equipment and procedures.

However, Operation Iraqi Freedom II is not our only operational focus. We continue to forward-deploy in support of operations in Afghanistan and in the Horn of Africa. We are continuing to improve our warfighting capabilities by leveraging advancements in technology and developing innovative organizations and improving our joint training. Currently, the first expeditionary strike group, which combines the capabilities of surface action group, submarine, and maritime patrol aircraft, with those of an Amphibious Ready Group and a Marine Expeditionary Unit, is returning from its deployment to the Central Command area of responsibility (AOR).

We are combining our analysis of Operations Enduring Freedom and Iraqi Freedom, with lessons of this initial deployment in order to enhance our adaptability, flexibility and lethality. In addition, naval tactical air (TacAir) integration continues to be implemented, and we are aggressively improving our interoperability with Special Operations Forces.

Our top ground and aviation programs are adequately funded. The marked increase in our warfighting capability will be apparent as we introduce new systems, such as the MV-22 Osprey, the expeditionary fighting vehicle, the Joint Strike Fighter, the lightweight 155 howitzer, the four-bladed Cobra and Huey upgrade helicopters, and the high-mobility artillery rocket system into our force structure.

In planning for future uncertainties, as both the Secretary of the Navy and the Chief of Naval Operations have mentioned, we are committed to developing a sea-basing capability that will provide a critical joint competency for assuring access and projecting power

that will greatly improve the nation's security. Sea-basing in the future will assure joint access by capitalizing on the dilemma created by operational maneuver of forces from the sea. The replacement ships for the LHA class of amphibious assault ships, the maritime pre-positioning force future, the DD(X) and the Littoral Combat Ship will be essential in our concept of joint sea basing.

Mr. Chairman, last I would like to emphasize the magnificent performance of your individual Marine, the most agile and lethal weapons system we possess. On behalf of all Marines, I thank this committee for its steadfast support and I look forward to your questions, sir.

[The prepared statement of General Hagee can be found in the Appendix on page 285.]

The CHAIRMAN. General, thank you very much, and thank you to all of you for your opening statements, for your service to our country. The first question will go to the gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Thank you very much, Mr. Chairman.

In my opening comments, I expressed concern about the failure to budget for ongoing operations in Iraq and Afghanistan. It is my understanding that the earliest supplemental taken up would be in January of next year. I refer to the three articles which referred to testimony over in the Senate about military chiefs testifying that there were worries about the war funding, in particular. This, Secretary England and General Hagee, really needs to be answered by you, too.

What would the impact be on funding for ongoing operations from September through January or February, even as late as March possibly, for a supplemental? The Office of Management and Budget (OMB), by the way, estimates it would be about \$50 billion. I would appreciate your thoughts on that. You have to borrow from something. Where are you going to borrow from? Mr. Secretary?

Secretary ENGLAND. Mr. Skelton, we do have some cost obviously associated with deploying our Marines into the combat zone. We also have some costs associated with our Navy. We always have to get our Marines there, et cetera. Last year on the Senate side, it was commented that that is estimated to be on the order of did we know about today of any order of about \$1.5 billion. We are working with the comptroller of the Office of the Secretary of Defense (OSD) because there was a 2004 supplemental for the war cause. So we do expect that we will receive that funding.

Mr. SKELTON. Yes, but the question, Mr. Secretary, is when? Between September and at the earliest January, you are not going to get it. We are not going to be here.

Secretary ENGLAND. There is already funding allocated so there is money that I am aware of in OSD. There is money allocated in a supplementary that has already been passed. So there is a war supplemental. Working with OSD, frankly if that money is not forthcoming right away, then we will likely use funds, that is, unobligated funds until that money is replenished. I frankly do not think we will have any significant problem in terms of funding, and I believe that was responded to by the CNO during his hearings on the Senate side.

I do not believe we will have a problem. Now, it depends on how big those bills are, but at this time I do not see that to be a significant issue for the Department of the Navy. Our bills are not as high as the bills obviously for the Department of the Army, but I believe that with the request we have into the OSD comptroller, I expect those funds will be reimbursed, but if they are not then we will look at our unobligated funds. At some point, certainly, we will need to be reimbursed for those funds.

Mr. SKELTON. General Hagee.

General HAGEE. Yes, sir. I would like to divide it into two parts. First, fiscal year 2004, which I think the Secretary was talking about. We have a relatively good feel on the funds that we will need for fiscal year 2004. Of course, that is constantly changing. We are projecting out until the end of the fiscal year. As I have testified, we have estimated that it will cost us between \$800 million and \$900 million this fiscal year. We are capturing those funds. As the Secretary mentioned, we are submitting those requests for funds to the comptroller OSD, and we expect to be reimbursed.

As far as fiscal year 2005 is concerned, first, as you know, it will depend on how many forces we have over there and our burn rate. We just do not know what that is. If we keep approximately the same number of forces on the ground over there, we believe that we can handle the first quarter, as the Secretary mentioned, by forward-funding in order to obtain enough cash flow. We will need a supplemental the first part of next year if in fact our force commitment remains the same, but that could change.

Mr. SKELTON. Admiral, do you have any comments on this issue?

Admiral CLARK. The main thing for us is that, one of the things about the Navy is that when you fund us, you fund us to a level of operations for our deployments. We are deployed in the theater. I have another Carrier Strike Group en route to the theater now, and that funding is included in our normal approach to the funding and budgeting process.

What I said the other day is that if we went back to a major combat operation at a level that we are not at today, then it would change my picture. But where the level of commitment that we have to the force and to the Central Command (CENTCOM) AOR and our other global requirements, we are covered for 2004. Our number for 2005 would be very, very small. For example, in 2004 to move the Marines, the transportation costs we are paying, and as Secretary England said, we submitted that number to OSD in 2004. We will be covered.

There will be a small number to bring the Marines back. When that occurs, we will be able to cash flow anything in the first quarter. So my number is very, very small and I do not see a problem.

Mr. SKELTON. Thank you, Mr. Chairman. I have other questions, but I will reserve my time at this time.

Mr. WELDON [presiding]. I thank the distinguished Ranking Member.

First of all, thank you all for being here. It is a pleasure. Chairman Hunter had to step out for a few moments. He will return to the hearing, and he apologizes for this brief interlude, but I will proceed with some questions and then we will move on. We will op-

erate under the five-minute rule, but allow members to come back for additional questions if they so desire.

I just want to say that I am so pleased with the leadership that you all are providing. We saw evidence of your leadership in the eyes of every troop member that we saw on a recent trip, where Congressman Ortiz and I led 8 Members of Congress, including 5 members of this committee, to Iraq, Afghanistan, Uzbekistan, and then stayed overnight at Ramstein to be with the troops at the medical center there, and brought 12 of them back home.

Without a doubt, those 5 days with the troops were just unbelievable. The morale is beyond description. We were in a hospital there at Ramstein and went into each individual room. One young soldier had a major eye injury. We were briefed before we went into the room, as you walked in the room here is a soldier lying in his full uniform. We said, what are you doing? You are supposed to be in a gown. He said, "I do not belong here. I want to be back out there with my colleagues in the battlefield."

There he was, sitting in the hospital lying on the bed, not with a gown on, but in his uniform, desiring to get back. That, I think, typifies the spirit of what we saw in Tikrit, what we saw in Baghdad, what we saw in Kabul, up at K2 in Uzbekistan, everywhere we went. I think Chairman Ortiz will tell you the same thing. It was just an amazing experience.

We thank all of you for giving them the tools and the equipment that is so important to them. We look for lessons to be learned and for priorities, and we brought those back and we have already given those to the Secretary's office, but I will repeat them to you. The need for more linguists was evident with those folks on the ground. We understand the frustrations in trying to get people cleared to be linguists.

We also heard of the need for small unmanned aerial vehicles (UAV). I am going to tell you something, Mr. Secretary, and I have already told the CNO this. I chaired a hearing on UAVs last year, and all the services lined up. I think there were some unfair critical comments on the Navy, that they were not doing enough in this area. Let me tell you something, you now have hit the mark.

I am going to ask staff to pass around a comparison sheet. Under Secretary Cohen, under your leadership Admiral Clark, the Navy has come through what I think are revolutionary breakthroughs in small UAVs. I remember General Odierno and his commanding officer up managing the road between Tikrit and Kirkuk. He talked about the attacks on his convoys and he talked about the need for small UAV support. If you look at the price comparisons and the capability, the Navy Valiant at the far left is not only the lowest cost, but offers the greatest flexibility. I want to praise the Navy for the great work you have done through operational readiness (OR) on UAV technology. I want to praise the work and your support effort for the Army in putting your Silver Foxes over there so the in fact can be put into place to protect the lives of our troops. Both of you should feel a great deal of pride that we were able to take technology developed very rapidly and immediately put it into place to help us save lives.

It is an important thing to me because one of the most emotional parts of my trip was a meeting with General Odierno as he was

describing a young 24-year-old graduate of West Point that was gunned down on the road to Tikrit and Kirkuk. It turns out that young 24-year-old was a young person I nominated to West Point. I was carrying a letter from his parents, a three-page letter describing the emotions they had of the pride in their son, of the job he had done, even though he paid the ultimate price.

As I gave the letter to General Odierno and realized this was the same guy he was talking about, who went to West Point with his son and graduated together, you could see the emotion inside of him as we both talked about the spirit of our troops and the fact that these young people need to have the best protection, the best equipment and the best training that we can provide. I think under your leadership we are doing that.

I think that without a doubt this committee, Democrats and Republicans, will fight for the President's number on defense. It is going to be a tough battle. We are going to fight for the appropriate level of shipbuilding funds that, Admiral, we are finally getting around to giving you this year. And we are going to fight to give you the resources to allow you to develop off-the-top technology that you can put out in the field as you are doing right now with these UAVs.

General Hagee, I want to give you a softball. There is going to be a lot of pressure around here to cut big programs. There is already talk about the F-22 and the Comanche. I want to give you a chance to make the case, along with the Secretary and perhaps the CNO, but I know this is very dear to your heart, both the need for the Joint Strike Fighter relative to the Marine Corps mission, as well as the V-22, which was talked about very much yesterday in our hearing on aviation safety.

So with that, I thank you and I will now turn to any comments you would like to make, starting with the Secretary.

Secretary ENGLAND. Mr. Weldon, thank you. First of all, thanks for the comments, and also thanks for your visit. As the Commandant said, we greatly appreciated your making it there. I just want to tell you, when you tell me about these great men and women, it still gives me goosebumps at my age and it does when I go see them. God bless you and everybody who is doing such a great job supporting our military.

If I could make a comment first about V-22. The test program is going superbly. It is meeting all of its objectives. I was recently at the Boeing facility. They have turned the program around, and I know they have also at Bell. So it is an important program for the Marines, for the Navy, for the Air Force. I frankly believe it is one of the most revolutionary programs we have. It is doing well. We are now trying to get the costs down. I believe that is important, but the contractors understand that. We understand that and we will succeed at doing that. So it is a terrific program.

Joint Strike Fighter, the program, there are three versions. They are tied together. Frankly, we have some weight issues. I do not view them as critical weight issues. The two versions for the Navy and the Air Force, even with the overweight situation today, they meet all of their key performance parameters, but we will still drive that weight down, but we will be smart in terms of how we do it.

The weight issue for the short takeoff and vertical landing aircraft (STOVL) is heavier. It is also the more difficult technical problem. Nonetheless, in my judgment, having been in this business a long time in developing airplanes, I believe that is very solvable. That airplane is very important for us and for our allies. The United Kingdom and our allies together have \$4 billion invested in this program.

I would encourage the Congress to stay the course on JSF. We are counting on that program and we are curtailing other programs in terms of the Harrier, for example. We cannot rebuild that again. So we need to field these airplanes, and we will get there. We are in a development program. Three advanced programs are always going to have some problems, but these are solvable. We are on track and I would ask your support of this program. It is essential to all of our services and our friends and allies.

General HAGEE. Sir, I would just make a couple of comments, not to repeat what the Secretary said. First, on the MV-22, I could not be happier with the progress it is making. We did make a mistake this year. We took it up to Canada to test its cold weather adaptability and it has not been cold enough up there. We should have kept it here in Washington. We would have already been completed with the testing if we had done that.

On the Joint Strike Fighter, I would like to talk about the performance of the Harrier in Operation Iraqi Freedom to show how critical that STOVL version of the Joint Strike Fighter is. We have 60 Harriers in Operation Iraqi Freedom. We had five squadrons. One of those squadrons was shore-based. The other four came from amphibians at sea. We used one forward-operating base and we used two of what we call forward area refueling and arming points. These are small places in the road.

The Harriers took off from the amphibians, went to those forward arming and refueling points, landed, refueled, took off from these very short runways, provided close-air support to the ground units there, came back, refueled, re-armed again, and went back up and provided close-air support. The surging generation rate that you can get out of such an operation is just fantastic.

We flew over 2,000 sorties and about 45 percent of the close-air support delivered in Operation Iraqi Freedom from the Marines came from our Harriers. We need that STOVL version, sir.

Mr. WELDON. Thank you very much.

Admiral, did you want to take any accolades on your UAV work?

Admiral CLARK. I certainly want to thank you for your comments, and just say that this budget requires close examination. I am proud of the accomplishments in it. It has happened because Secretary England said we are learning to be a more effective Navy; we are getting more return for the taxpayers's investment.

Let me just say that we are research and development (R&D) heavy, three times the R&D in aviation than there was when I came up here the first year. The shipbuilding account is where it needs to be. It is all about turning technology as rapidly as possible.

I like to say to folks, look, the enemy's got asymmetric advantages, but so do we. Ours is the ability to field the most unbelievable technology that the world has ever seen, and it is the genius

of our people. Silver Fox is the intersection of those two asymmetric advantages. I am very, very proud of the work that is going on. You mentioned the Army. When General Hagee's people go over, his troops, they are going to have them, too.

Mr. WELDON. Fantastic. Now I will turn to my good friend and colleague and patriot in crime, Solomon Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

I would like to echo what my chairman just stated. We do have a bunch of young brave troops who love their country, who are dedicated and committed.

Today, we are happy to have you with us. I am going to have a question for my good friends Secretary England and of course the Chief of Naval Operations. Over the years, we in Congress have watched as the Navy invested hundreds of millions of dollars in mine warfare countermeasures, including R&D, only to see the Navy inexplicably change the requirements when it is time for the products to begin the acquisition stage, and as a result, mine counter-measure capability eludes the fleet.

This is extraordinarily dangerous, as our fleet faces increased threats such as mines and terrorists. At the same time, there has been a consensus from the Navy leadership that sea mines remain a very serious threat to the fleet. Now it is my understanding that the Navy will begin retiring coastal mine hunters (MHC)s. This is what we hear. This is why this is important, that I am asking this question.

Without having any replacement capability in place, like the mine countermeasures. The Navy is eliminating a critical capability that currently exists, in support of a planned capability that the Navy hopes to have in place some years in the future. I say "some years" because the schedules for mine work always seems to slip. I would appreciate receiving your most specific and concise answers to these questions.

Is the Navy considering any reduction of the dedicated fleet during the current fiscal year or fiscal years 2005 or 2006? If so, how many are being considered for reduction and what is your planned replacement schedule for these assets?

We in Congress have repeatedly seen the certified mine warfare plan ignored. To address this serious problem, the Congress directed the Navy to inform the Congress prior to making any changes to the plan. In the past year, has the Navy made any changes to mine warfare plans or otherwise removed any funding to any assets in the plan without notifying Congress, as directed by law?

This is what we hear when we visit some of the bases, Mr. Secretary and Chief. Maybe we can have an explanation to rest the fears of the people who are doing a great job out there. Maybe you can help me.

Secretary ENGLAND. I am going to turn perhaps the specific hard question over here to CNO in just a moment. But let me make one comment, Mr. Ortiz. Mine warfare is critically important to the Department of the Navy. We understand that if we cannot defeat mines, that is an Achilles heel for both our Navy and for the Marines. Our whole naval forces are at risk if you cannot defeat mines.

So we are increasing spending in terms of mine warfare, in terms of all area of survivability, to the extent that our Littoral Combat Ship, one of its primary missions will be the whole mine warfare area. So we are increasing our emphasis on the survivability side of the Navy against all aspects of survivability.

So that is one of our priorities. In fact, it is one of our priority objectives this year, which as published, to continue to increase our emphasis in this area of survivability, including mine warfare. So my perception is that we are doing more in this area, rather than less. With that, I am going to turn it over to CNO for a specific response.

Admiral CLARK. Thank you, Mr. Secretary.

I appreciate your asking the question, because it gives me a chance to talk about what I think are some of the most exciting things that are going on. We started talking about delivering battle group organic mine warfare capability a number of years ago, before I became the chief. In 2005, it starts delivering. The first battle group will be outfitted.

I will tell you, Congressman, that the issue of the MHCs has come up a number of times in previous bills. My position has been that we will not consider decommissioning any of them until we have other capability coming on-line. So the exciting piece of this is, and Secretary England said it, we are spending more money, \$167 million increase in the Future Years Defense Program (FYDP) in this submission.

The real thing is, look what happened in Operation Iraqi Freedom. For the first time in our history, we deployed unmanned underwater vehicles. We had a half-dozen of these prototype models. As Congressman Weldon talked about, the air side of this, we are also doing it on the undersea side of this, the remote mine hunting vehicle is an incredible breakthrough that begins to deliver in numbers in the FYDP.

But the most important piece of it is the whole concept for the Littoral Combat Ship is going to build mine warfare capability because the tailored mission area for that ship is all in the near-land arena and mine warfare is one of the three principal warfare areas that we have carved out for the Littoral Combat Ship. That is a revolution in shipbuilding design, construction and operations.

Now, to answer your specific question that you asked. Are we considering, then, changes in the management headquarters ceiling (MHC) force, not the mine countermeasures (MCM) force, the MHC force? The answer to that fact is yes, we have considered it and we will not take forces out until we have equal or equivalent capability coming on line. That is the plan.

Mr. ORTIZ. Thank you. We do appreciate the fine work that you and your men and women do in the Navy. We will support you, but there is fear for many reasons, the fear of the commission coming up next year, the Commission on Base Closures. I am not the only one that is concerned about this, but many other people.

I do want to thank you for the fine work that you do. I know that my time is up, and I thank you, Mr. Chairman.

The CHAIRMAN [presiding]. Thank you.

Secretary ENGLAND. Thank you, Mr. Ortiz.

The CHAIRMAN. I thank the gentleman.

Mr. Hefley.

Mr. HEFLEY. Thank you, Mr. Chairman.

I think the main question we have not gotten to, General Hagee, is can you give us any insight into how Lieutenant Hunter is doing in your Corps? We cannot get a straight answer from Duncan. Can you give us an answer? [Laughter.]

General HAGEE. Sir, even though he is an artillery officer, he is doing brilliantly. [Laughter.]

Mr. HEFLEY. Obviously, you will get anything you want from this committee. [Laughter.]

Representative Skelton may have asked this question. I did not quite understand the answer. It appears to me that the Army and the Air Force particularly are digging deeply into their normal funds in order to pay for the war, and are going to be quite short by the time we do get to a supplemental. I do not know where the Marine Corps is exactly on that, but the Navy seems to be in better shape than the other forces.

What I am wondering is, do you have any fear that they are going to come looking for money from you in order to finish out their year, before a supplemental does come about? That is going to be the cash cow that pays the bills for a while.

Secretary ENGLAND. Mr. Hefley, let me just say I certainly hope that is not the case, because we have authorized programs that need to be funded, and operational readiness (OR) accounts, et cetera. So we do have bills that come due, like all of our other services. And embedded in our accounts, as the CNO said, in our basic accounts we do deploy our forces. We are a deployed force for both of our naval services, the Navy and the Marines.

So when we deploy those forces, our normal deployments are included in the budgets that you approve every year for us, and that the Congress approves for us. So we need those funds just to do our normal deployments. Of course, when we, quote, normally deploy in the war zone, those funds are already in our basic account.

So frankly, I hope nobody plans to take those funds because otherwise it will leave us in the position of then having to ask for additional money. There are no additional funds and I certainly hope that we are not faced with that situation.

Mr. HEFLEY. I would hope so, too. Admiral, did you want to comment?

Admiral CLARK. I just want to say this: Every time the budget is examined, people look at the readiness accounts. I want to report to you that we put together an approach this year based upon a new kind of analytical rigor. I brought in every commander at the three-star level in the operational forces globally. We sat down over a weekend and went over this new analytical approach. We are learning from this guy who knows about running big business, and that is what we are trying to do, to learn how to run this place better.

We took risk and we assessed risk and we said, what is a reasonable level of risk for us to take in this budget submission? And we submitted it in a way that I asked the Congress to support the readiness accounts the way they are written because I will be able then to do what we were able to do during Iraqi Freedom. We had forces all over the Pacific because we live in an uncertain world.

So in order for us to provide that kind of global response, those readiness accounts have to be whole.

Mr. HEFLEY. They do, and I worry about that, as you know, because that seems to be where we suck out the money when we need it for some kind of an emergency.

Would you care to comment on the way we are doing this budgeting? We are doing basically a peacetime budget, it seems to me, for the services, then we do supplementals to pay for the war. We know we have a cost for the war. We do not know exactly what it is going to be, but why in the world don't we budget with our projections of what it is going to cost, and then if we're off on our projections, then we do a supplemental instead of doing these gigantic supplementals, which we do not scrutinize nearly as well as we do our normal budgets.

Secretary ENGLAND. Mr. Hefley, the delta is not very large for the Navy and Marine Corps. Our delta dollars when we go to war is not that large compared to the other services, again because we have dollars already embedded to deploy our forces around the world 24-7. We are deployed around the world.

So it is a question of trying to estimate what those costs are. We do not know. We do know our Marines are going for this deployment, but we do not know what else will be required this year in terms of the war effort. So frankly, it would just be to some extent a guess on our part, without knowing.

We do go through this rigorous process. For a year, we go through a rigorous process when the budget is submitted to OMB and ultimately to the Congress. We go through a very rigorous process. It would be very difficult for us to just sort of come up with numbers for the war. That would be hard for our system to accommodate, because that is not the way we do our budgeting. We actually go through this dollar-by-dollar zero-based budget, every program, everything we do. It would be very hard to guess an unknown for us.

Frankly, I believe what we are doing is right. I frankly would not want to contaminate the rigorous process we have for this \$119 billion that we have in the 2005 budget because we can stand—I feel like the three of us sitting before you, we can substantiate every dollar in the budget, and we work very, very hard to spend the taxpayers' monies wisely.

So I would not want to get into an area of just uncertainty and contaminate that process. I believe that Congress gets better numbers with the process we have today with the war supplemental. That is my judgment.

Admiral CLARK. May I address that? I am working hard right now on the 2006 budget, and I started working on the 2005 budget almost two years ago. That line has been used, but I will tell you I have been up here in front of you; Congressman Hefley, this is my fourth visit. I will tell you, CNO has some sayings. One of them is, training is activity reinforced. I have been trained to do it this way.

Over the course of my experience, every time we have an operational level expense that we could not project two years ago, we were told that it had to be done under a supplemental process. So I am responding in a way that I have been trained to develop these

responses in my years of dealing with the Congress. Whether it is the right way or the wrong way, it is a kind of behavior that we have fallen into this pattern because that is the way we have done it all through the decade of the 1990's, when supplementals were only forthcoming for operational issues

So where we are is that we can even make a projection on next year, but unforeseen operations, I am constantly balancing the funding level you give me to figure out how to get the most return to General Abizaid and give him the most responsive force out of the resources that you have given us.

Mr. HEFLEY. The reason it concerns me is that we go over your budget. When we are dealing with the authorization, in the normal authorization process, we go over it in great detail, as you know, and scrutinize everything. Then when you get a supplemental, well, we say, oh, we have to support the troops. We do have to support the troops, but we pay very little attention, it seems to me, Duncan, in terms of the details of those supplemental budgets. I kind of worry about that sometimes, not that you are not giving us the true story, but our job is to look at those things, but I appreciate your response.

The CHAIRMAN. I thank the gentleman.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. Thank you, gentlemen, for being here this morning. It is good to see you all.

Secretary England, I wanted to ask, in this colorful book here on the budget, I guess it is appendix A-16, it talks about the funds for basic research and applied research. Secretary Rumsfeld and yourself have been advocates of looking at the military of the future. It concerns me that throughout the budget, it is not just the DOD budget, that we are in fact cutting funds for research.

The fiscal year 2004 number for basic research was \$484 million; your proposal is a decrease to \$477 million. The applied research number in 2004 was \$724 million. In 2005, according to this, the applied research number is going to be \$563 million.

I don't know if I need a comment from you, but it is not just in the Navy budget. It is throughout the budget. I am particularly concerned about the basic research number. You are talking about what our military is going to look 15 and 20 and 25 and 30 years from now. In a way, basic research is the metaphorical seed corn that I fear that we have taken away over the last several years and are doing it again this year in such a way that it is going to affect us down the line. Do you have any brief comment about that?

Secretary ENGLAND. Yes, sir. Dr. Snyder, first, this year, as the CNO said, we have dramatically increased our R&D, so one step away from the science and technology (S&T). As I commented in my opening statement, we are what I believe is turning the corner for the Navy. So when you look at the Navy, we now have ships, airplanes, subsystems, all transitioning from S&T into the R&D phase. So we are now taking the latest generation of S&T, moving it into R&D, so we are putting a lot of emphasis in that area.

Dr. SNYDER. I understand that. As you know, I have limited time. I just would ask you all to consider revisiting those numbers. Those are decreases. I understand everything you have said, but this is a decrease in the basic research number.

I wanted to ask, if I might—General Hagee and Admiral Clark, there has been a lot of discussion about intelligence and the whole discussion about, well, could things have been differently; could we have processed the information we had over the last several years differently.

When you all get presentations, Admiral Clark and General Hagee, on intelligence, is it presented to you as a finished product? Or do you have the opportunity to say this does not jive with what I am hearing informally; this does not jive with what my gut tells me may not be accurate. Do you have a chance to push back and say, I need to see what is behind these conclusions? Because you ultimately make the decisions to put men and women at risk, do you have the opportunity to do that, or is it presented as a completed product for you?

Admiral CLARK. Let me start and just say that of course we have the opportunity to push back and challenge. That is really our job, to challenge the foundations. I say that to lead to the fact that when the intelligence people come to give us a briefing, we are paying them to also try to reach a conclusion. So what do you make of all this? So it is typically a lively discussion.

Depending on the subject, whether it is tactical, strategic or scientific-level intelligence collection, it could be any of those that are going into leading to a conclusion, getting into why an individual that is briefing us has reached the conclusion that they have.

Dr. SNYDER. General Hagee.

General HAGEE. Yes, sir. I would comment in two areas. I was the Commanding General of the First Marine Expeditionary Force before I became Commandant of the Marine Corps. In that position, I did a lot of planning for the fight that the Marines were in during Operation Iraqi Freedom. The intelligence community reported to us that they believed that Saddam Hussein would open up all the floodgates and actually flood all of southern Iraq. Our analysis of that situation did not jibe with that particular analysis, and we were able to push back and give our reasons why even though that was a potential capability, we just did not see it happening and gave the reasons why. We were quite successful in that.

As a member of the Joint Chiefs, when intelligence is presented to us, we have an open conversation on what we think is correct and where we might have some disagreement because of our experience. I feel very confident in that particular part of the process.

Dr. SNYDER. Thank you. I wanted to make a comment, following up on what Mr. Hefley said about the supplemental versus the normal process. I supported the \$87 billion supplemental and agreed with the Administration on most of the things in it. But it certainly was, in fairness, I think the word would probably be an expedited process. There was a lot of sense up here that it was by design a process not to get a whole lot of input from the American people and not to be scrutinized very closely. That was probably no one's intent, but that is the way the process came about.

What concerns a fair number of members of this committee is that it is not just through the supplemental process that we are going to be paying for a war. It is that in the process of people coming back, the most important thing I think that Secretary Rumsfeld believes in, which is transformation of the military, that there are

major transformation decisions that are being made in terms of personnel and where they are going to go in the future and those kinds of things. It is going to be through the supplemental process and is not going to be subjected to the same kind of scrutiny that Mr. Hefley referred to.

If this keeps going like this in terms of large sums of money that basically bypass the authorization committee and have very limited scrutiny by the appropriators and the rest of Congress, it calls into question—or to put it another way, it makes people apprehensive about the input of the Congress into this most important goal of the future, which is the transformation of the military. It has some very real credibility problems for a fair number of Members of Congress.

Thank you.

The CHAIRMAN. I thank the gentleman.

I would just make a comment on the supplemental versus the standard process, understanding that we are authorizers and we have a vested interest in making sure that we scrub things. Most of the things that we do with respect to big ticket items are the long-range programs where we spend years walking these programs down before they come to the fielding stage.

In the military operations, in the warfighting operations, you have fluid situations where you have to move money around and you have to move it quickly. For example, this new emergency of improvised explosive devices (IED) in-theater and the need to now throw a bunch of money into up-armored vehicles is not something that should require reprogramming and congressional hearings and lots of other things. We should simply move money quickly; just as militaries need to move quickly to win, the money process that attends those movements has to also be fairly rapid.

So I would just tell my friend that I agree with the idea that you need painstaking long-range scrutiny on these big ticket programs, but when you are fighting a war and you have to move troops quickly, you have to move assets quickly to meet changing situations. You need more rapidity than we sometimes supply here on good old Capitol Hill.

Dr. SNYDER. Mr. Chairman.

The CHAIRMAN. With that little commercial, sure.

Dr. SNYDER. I will take just 15 seconds. I tried to be very clear in my comments. I think I specifically said, when folks come home. That is the issue that we are getting at. General Schoomaker was very clear in his presentation the other day that when the troops are coming home, that is the opportunity, and they have already been doing this, to transform the Army. If that is done through the supplemental process, it is not warfighting in Afghanistan or Iraq today that is transforming the military. That is what concerns me. I agree with you 100 percent on what you just described as the fluidity of fighting a war. Thank you for letting me speak.

The CHAIRMAN. I thank the gentleman.

The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Mr. Chairman, I am tempted to comment on the same subject, but I think you covered it very well. I was going to say something very similar to what you said about the flexibility that we observed recently with regard to the Humvee situation

when we came back. The Chairman and Mr. Reyes and I visited Iraq just in the last week or so. The up-armoring that is necessary for the Humvees is a major expenditure.

When I got back, I called the comptroller to see how it is working out. I asked him if he would have been able to use those monies the same way had it not been for the supplemental process, and he simply told me no; we would have had to come back to Congress; we would have had to reprogram some money; it would have taken some time; who knows how much time, depending on the circumstances.

So the flexibility that is inherent in the supplemental process when you are fighting a war and you do not know what your needs are going to be when you go into the theater is really important. Anyway, that is a process for maybe another time.

The Joint Strike Fighter is a partnership between international interests, international countries. How does it work? How is it working out? How do you like the process? Are you glad that we started the international part of it? Is it working well?

Secretary ENGLAND. Let me comment, if I can, Mr. Saxton. I believe it is working very well. We have had some model programs in the past. As you know, the F-16 program, I think, was 19 nations of the world, so that was the model for the Joint Strike Fighter program.

I am not sure exactly the number of countries. I believe it is 10 countries or so now in the Joint Strike Fighter program. There are different levels of commitment. United Kingdom is the highest level of commitment, but in total I believe it is like \$4 billion they have committed to the program. The program—as I commented before, we have been in the program now for two years under the program. In my judgment, the program is going well.

We did, frankly, move the schedule out a year because we flew the prototypes. We did make a mistake, frankly. We thought the transition from the prototypes to the design of the airplane itself in terms of full-scale development engineering and manufacturing development (EMD) would be much more straightforward. It is a harder design problem than we thought. Nonetheless, in my judgment, these airplanes will work out. The performance is dramatically better than the counterparts we have, and there is a high degree of commonality. So it will give us a high degree of commonality, not just among the United States military, but with our friends and allies.

So in my judgment, this is a very, very important program for all of the services and for the international community. I am convinced that this will work out. The STOVL is very transformational because as well as we did with AV-8B, STOVL will be much, much better for the Joint Strike Fighter than the AV-8B. Even for our carrier version, the range is just spectacular compared to what we have available today.

So a very, very important program. I believe the program is structured well and, frankly, it is being run very well.

Mr. SAXTON. And our international partnerships I would assume have some other advantages in terms of building relationships between allies?

Secretary ENGLAND. Of course it does provide commonality between their forces and ours, which is very important. And of course, it has an economic benefit to us because as we build airplanes for them, it is a higher rate so the unit cost is lower. So it benefits us in terms of the cost of the program. So I think it is a win-win for everyone on this program.

Mr. SAXTON. To change the subject on you here a little bit, the Navy Special Forces. Any changes in the works for those folks? Any different programming or anything been proposed in your budget?

Admiral CLARK. Yes, absolutely, obviously playing a very important role in the Global War on Terrorism. We made the decision to increase the size of our sea-air-land team (SEAL) teams, and so we are going to eight. We also have some natural growth that we have decided to take on because of the recognition in part of the lessons learned process that we need to be more robust inside the teams themselves. So we will be gradually growing the force by a few hundred people between now and 2008, ongoing.

Mr. SAXTON. Is there a rate beyond which you cannot grow the force because of the quality of folks we end up with?

Admiral CLARK. I don't really know the answer to that. What we do now is we open the door and say, if you want to come and compete to be part of this group, well, come and try out. We have not really had an active recruiting program for it. It is sort of a natural draw, and that is the way we have done it. So I really cannot tell you what the limit is. I would be happy to do some research on it and get back to you.

Mr. SAXTON. Thank you.

General HAGEE. Mr. Saxton, I might mention one of the things that we are doing. I think you are aware of it. We have stood up a platoon, a force recon platoon out in California. They are going through the same certification as the SEALs and in fact they will deploy as part of a SEAL team here this spring.

Mr. SAXTON. Yes, thank you. I am aware of it and I understand it is working quite well.

General HAGEE. Yes, sir, it is.

The CHAIRMAN. I thank the gentleman.

The gentlelady from San Diego, Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman, and welcome to all of you. Mr. Secretary, it is good to have you back in this leadership position.

Secretary ENGLAND. Thank you.

Ms. DAVIS OF CALIFORNIA. I know that you mentioned your pleasure in serving with the two gentlemen on either side of you, and most of us in San Diego have certainly had that pleasure, as well. I appreciate their being here.

I wonder if you would perhaps be willing to share with us some of your priorities that in fact you feel were not answered as well as you would like in the budget, and something that we might take a look at in the future.

Secretary ENGLAND. It sounds like an open invitation for everything we would like to have, Congresswoman. [Laughter.]

Let me say this: I do believe that we are well-resourced, but there is always more you would like to do. We always have a wish

list of things we would like to have, and we always want to have more training. We always want to have more ships, et cetera.

Ms. DAVIS OF CALIFORNIA. Yes, I think what I am looking for is something that perhaps you are not as comfortable with, that you think actually was critical and for whatever reason the case was not made as well as perhaps it could have been; something that needs another look.

Secretary ENGLAND. Let me ask the CNO and Commandant to respond to that.

Admiral CLARK. I am just thrilled with what is going on in the acquisition programs in 2005. When I got this job, my shipbuilding SCN number was \$4.7 billion, and that was not the dark ages. This is my fourth visit. So in 2000, it was \$4.7 billion. In the whole decade of the 1990's, the numbers ranged in the sixes on average, and I testified earlier that we needed to be reaching toward \$12 billion. We are in total (SCN) shipbuilding and conversion this year at \$11.1 billion.

In 2006, it is going to be a difficult, challenging year and we are working that right now. I will tell you that there is a gap in DD(X) and part of it is learning curve, but also I have to pay for them all at once in one year, and there were not resources for that. So we will be looking at ways that we can keep that production line going. We are very pleased with what is happening in LCS. I talked about aviation already with regard to the procurement side of it.

So I feel real good about where we are in 2005. I have work to do in the out-years to try to sustain this and continue to try to find more resources for acquisition. We have a laser spotlight on the acquisition process.

Ms. DAVIS OF CALIFORNIA. Commandant.

General HAGEE. Yes, ma'am. I am comfortable with our acquisition programs, but the Marine Corps is an expeditionary force. One of our requirements is to be most ready when the Nation is least ready. One of the concerns I have as we look into the out-years is resetting the force, ensuring as we bring equipment back from Operation Iraqi Freedom that we have those resources to recondition that equipment and to put it back on our maritime pre-positioning squadrons or back out in the operating forces. I feel relatively comfortable where we are right now, but we are going to be using that equipment over in Iraq again. You asked what my biggest concern was, that is the one thing I am watching most closely.

Ms. DAVIS OF CALIFORNIA. I had an opportunity yesterday to meet with Admiral Massinger to talk about fleet maintenance. I think one of the things that comes across is that we were able to do what we did in Iraqi Freedom largely because we focused on that readiness. I certainly would not want us to go back to the days when we not only had nothing available that people needed, but certainly impacting morale because we were making a lot of make-work as opposed to more constructive changes in the way that we respond to those needs. I would hope that in this budget that we have done what we need to do to prepare for that readiness, as well.

Admiral CLARK. I have over \$2 billion in increase in the readiness accounts and, Congressman Davis, I so appreciate your work

on the Navy-Marine Corps Caucus. You know our business well. You know what my priority is. My priority first is this Navy. The taxpayers of America bought and paid for this, and it is going to be ready.

So I seek your support to those readiness accounts, because the reason we are having all the success and winning the battle for people at the start of it is that our young people look at this and say, the Nation has decided to give us the tools we need.

Ms. DAVIS OF CALIFORNIA. Yes.

Admiral CLARK. So that is step one. I appreciate your comment on the readiness requirements.

Ms. DAVIS OF CALIFORNIA. Yes, it has made a big difference.

Could you comment on the needs? I think in many ways it is kind of interesting and particularly linked with homeland security and national security. Of course, in San Diego we are very aware of this. Has homeland security had much impact on your budgets, on your thinking around the country where we have bases and they obviously play a very significant role, and also increase vulnerability for the communities in which they are located.

Secretary ENGLAND. Let me make a comment, if I can, Mrs. Davis, having now been a foot in each camp, so to speak, having been in both Homeland Security and DOD Department of the Navy. They are linked. First of all, what we are doing, what I call "the away game." What we are doing is vitally important for homeland security.

By the way, it is very interesting, if you go overseas on board our ships, if you talk to our Marines deployed wherever you go, particularly in the combat area, those terrific men and women know that they are there so that we do not have to have that fight here. So we are having the fight there rather than here, and it is definitely linked in that regard.

But we also provide for all of our spaces. Obviously, we do the security for military installations here in the United States. That is our responsibility, and we tie in with the Department of Homeland Security. But we have the primary responsibility to protect and defend our bases everywhere in the world. So we do that as part of our planning, as part of our budgeting.

We also work closely with those local communities, with the Coast Guard. We augment the Coast Guard. We provide equipment back and forth, personnel. So it is a very close relationship, primarily with the Department of the Navy and the Department of Coast Guard, which is in Homeland Security, but they are very closely aligned.

Ms. DAVIS OF CALIFORNIA. I know in Coronado we are working hard to provide for a better transportation link there with the city. So that is a need that is very close and I hope that we can get your help and support with that, as well.

If I may, Mr. Chairman, just very quickly, because I know how concerned you are with the families in our service. I have had an opportunity to work with the Ombuds people. I would love to talk with you more about how we might be more supportive of their role and impact, more supportive of our families through the work that they do.

Admiral CLARK. We would very much like to hear your ideas.

Mr. Chairman, may I comment on the homeland security piece? The role with the Coast Guard, I think the committee needs to know about this. We are providing resources through the patrol coastal ships. In fact, the first year after 9-11 we gave them all of them. OIF, I took two of them to the Gulf. I needed them there, but we are supporting them and giving them the use of our platforms to help them in a homeland security function and role. Last year was \$57 million and this year I believe it is \$63 million to sustain that force.

One other thing. With the requirement to integrate with all of the individuals that are involved in homeland security, in San Diego we have not this integrated command center, with the Coast Guard, with the local people, and with the local law enforcement, and the Navy. This is a model for the future. We have to be able to integrate with the other agencies in the structure that is working the homeland security challenge, and we are committed to that.

The CHAIRMAN. I thank the gentlelady.

The Ranking Member had a comment on that.

Mr. SKELTON. Yes, I do. Regarding Mrs. Davis's earlier question and comments, I would remind our service chiefs I did make a formal request for the unfunded requirements. I would hope that by the time we return on February 24 we could have answers from you gentlemen.

Admiral CLARK. I received the request yesterday and we will be prompt in response.

General HAGEE. Same here, sir.

The CHAIRMAN. Very good. I appreciate that.

Let me make one follow up on my colleague's statement with respect to the importance of homeland security and its integration with security interests. We have a fence on the border between the U.S. and Mexico that we built over the last several years, initially built to stop drive-through drug trucks that were coming through at the rate of 300 a month, bringing cocaine into America's children.

There is one last stretch of that fence that I have not been able to build, which is about a mile or so right at the Pacific Ocean. Building that fence keeps trucks previously laden with drugs, but perhaps in the future laden with explosives, from coming into this country just a few miles below our major naval base in San Diego, including locations on that base that have very sensitive military equipment. I believe it is tomorrow or the next day that the Coastal Commission, which has been resisting this border fence because they do not think it is aesthetically pleasing, and they have the support of a lot of the environmental community behind them, is resisting the construction of that fence, which I think is important to national security, especially in this age of terrorism, because we have no way of monitoring the existence of terrorist activity just south of the border, just south of that naval base. So I would hope that my colleague, Ms. Davis, would join with me in urging the Coastal Commission to approve that border fence, which has a strong protective dimension with respect to the men and women of the United States Navy. Also, Mr. Secretary, I would hope that you could weigh in on this decision that they are going to be making with respect to whether or not we have that fence completed. We

still have that gap where vehicles laden with explosives could come across the border and proceed within minutes to our major naval base there in San Diego. Could you help us with that?

Secretary ENGLAND. I will certainly look into it, Mr. Chairman. Thank you.

The CHAIRMAN. Okay. I appreciate it.

Secretary ENGLAND. We will get back with you, sir.

The CHAIRMAN. I appreciate it.

Mr. McHugh.

Mr. McHUGH. Thank you very much, Mr. Chairman.

Gentlemen, welcome. Like all my colleagues, I certainly want to express my admiration and appreciation for the leadership that you provide. Like many who have spoken before, I have had a chance to go into Iraq twice, through the theater once with our distinguished chairman and another time with my good friend from New Jersey, Mr. Saxton. On Sunday, I am going to go to the Uzbeki-Afghan theater for the second time.

Every time I go, I am incredibly impressed with the caliber of soldier, sailor, Marine, airmen and Coast Guard men and women that we have, and their morale and their effectiveness. And that starts at the top with the leadership you provide, and God bless you for that.

Admiral Clark, yesterday you were kind enough to pay a short visit with me, and I appreciated that opportunity. It helped me to better understand some of the very innovative and bold steps you have taken. One of the things we did not talk about, though, I would like to have you help me fill in the picture on is with respect to your end-strength objectives vis-a-vis the reserve force. You are drawing that down, as well. We talked about the active side yesterday.

You are also, and I think admirably so, refocusing your officers' attention on integrating that reserve more effectively into the total force Navy. That is something certainly all of the services are and should be doing. But I think some would argue that to draw down the reserve at a time while you are also actively integrating it, and whatever questions that might arise, are, if not in direct odds with each other, certainly presenting more challenges. I wonder if you can tell us how you are trying to balance those two objectives.

Admiral CLARK. Thank you for the question, Congressman. There is a very small reduction in the reserve structure this year, and I frankly do not have the number in front of me. I will tell you that I do not know what that number is. I have a major effort going on this year to work active and reserve integration. I do not think we have done nearly a good enough job on the active side. I intend to follow the example and pick up on lessons learned from the other services; for example the Air Force and their blended units.

I am absolutely convinced that we can provide more bang for the buck to the taxpayer by looking at how we can integrate more effectively. One of the things we have already concluded is that in my fleet response plan that provides much more combat capability to the President when he needs it, the reserves are going to play a very important part in rolling this.

What we are looking to do, and it was driven, frankly, because of some challenges we had in equipment. For example, the P-3s,

they are wearing out. In order to make it to the transition date, we need to integrate those forces so that we can provide the needs to the combatant commanders.

So this year is a major focus area for us. I have given the task to my active commander. I have created a linkage between the Commander of the naval reserve structure. He now has additional duty to my primary force provider. This is a major focus area, and we will keep you apprised as we are moving along. I have no target. I am not trying to reach some number. I want the right number.

Mr. McHUGH. Okay. That is comforting, because what we have heard, you mentioned going to school on the other services, and I think there is a big school to go to there. One of the challenges we have heard arising out of those efforts is that the ops tempo for the reserve and guard have exploded. And what does that do to morale, and eventually what does it do to retention and recruitment rates and all those questions? I don't think anybody knows the answer to those right now. So the only thing I would urge is you keep that in mind and you obviously did that.

Admiral CLARK. Can I just take 30 more seconds and say in response to stress on the force, I did not say this when I talked to Congressman Davis about security. Two years ago, I had almost 12,000 reserves called up and they were just doing security for me. I added 9,000 active force to get rid of that stress challenge. I have done the same thing in this year's submission to take the stress off of the coastal warfare people. So this is a balance that we have to do better at it, and we are committed to getting the number right.

Mr. McHUGH. That rebalancing of high demand, low-density jobs between the active and reserve components is an important one.

General HAGEE. Mr. McHugh, could I make one comment as the other half of this Navy-Marine Corps team? As I mentioned to Congresswoman Davis, we are an expeditionary force in readiness. That is what we do. When I talk about a force, I am talking about both the active and reserve. So we have had active duty Marines, as you probably know, working with the reserves for some time, ensuring that they are ready to go and ensuring that they maintain the same standards as those Marines on the active side. That is one of the things that allows us to get out of town so fast, regardless of whether it is an active duty unit or a reserve unit.

Mr. McHUGH. Thank you very much, Commandant and Admiral. I see my time is expired. I am looking forward to working with you, and again, thank you for all you do. I appreciate it.

The CHAIRMAN. I thank the gentleman.

Incidentally, gentlemen, I want to let you know that I am really proud of the members of this committee and the enormous amount of time they have been spending to a large degree in-theater with our troops. I know that the gentleman who just spoke has this enormous responsibility as chairman of the personnel and total force subcommittee. The gentleman I am going to recognize here, Mr. Reyes, has spent a ton of time in Afghanistan and Iraq with forces. We have been spending a lot of time with your people, with our people. I think that is being reflected in some of the questions that are being asked today.

So my good colleague from Texas, Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

It is important, and I would urge all Members to take time to go visit our troops in-theater, as you gentlemen know and are always encouraging us to do so. Let me thank you all for serving. In particular, Secretary England, thank you. It is good to have you back as the Secretary of the Navy, although we miss you on the homeland security front. I think it is a tribute to your talents, and we are always glad to see you here before the committee.

Secretary ENGLAND. Thank you. It is good to be back, sir.

Mr. REYES. It is always a pleasure to have you.

There are three areas that I would like to have you comment on. The first one is, I am interested in, as someone who is interested in Navy Tactical Tomahawks (TACTOM), first of all, will the Navy seek to pursue a proven surface-to-surface system, such as TACTOMs, as a viable candidate for the Navy long-range land attack missile? That is the first one.

The second one is, as the Chairman just stated, we just recently were in Iraq over the week-end, and met with the Iraq Survey Group commander General Dayton. One of the priorities of that survey group is trying to look into the situation with Captain Michael Scott Speicher. I would like for you to comment on what kind of survival radio he had when he went down. Do we have a different radio today than in the first Gulf War? Who makes it? Can you give us as much information as possible? That is one of the lingering questions that, at least in my mind and maybe in other Members's minds, about why we did not do a better job in knowing that he was down, and possibly have survived that crash.

The third one is vitally important to me because on a previous trip with the Chairman into the Gulf area, we visited the aircraft carrier John F. Kennedy. From my district, there were five young men and women. I spoke with them and took pictures with them. I asked them how they had come to be in the Navy, because the closest ocean to El Paso, Texas is about 850-900 miles, either way, going west or going east. But I do know that there is a proud relationship between the people of my district and the United States Navy and the Marine Corps. We are very proud of that.

The point I want to make is, three of those five on that visit had initially gotten interested in serving in the Navy by joining the Junior Reserve Officer Training Candidate (ROTC) program. It has come to my attention recently that at a recent meeting in Pensacola, Florida the Chief of Naval Operations had made comments about the National Junior ROTC program was not providing adequate payback for the money that was being invested or allocated to that program.

I think that is an incredible statement to make because, at least from the experience in my district, the National Junior ROTC program is an important part of education. It is an important part of giving our young people an option, teaching them discipline, the kinds of things that today we talk about as being a great challenge in our society.

There are at least 12 Naval ROTC programs just in my district. It is vitally important if you can tell me, first of all, what the funding requirements for the program are to keep it at an optimum level. Most importantly, does the President's budget and his re-

quest reflect these requirements? If you ever want to see the impact that your Naval ROTC program has on a community, all you have to go is come to one of our Veterans' Day parades. Every single Junior ROTC program marches proudly in that parade. They have drill teams. They have floats.

So for me, having heard those comments made by the Chief of Naval Operations, it is important that I bring this to your attention so that we can resolve it. I would hate to see such a great program, and the relationship that it means between my district and the Navy and the Marine Corps, go away.

So if you could comment on those three, I would really appreciate it.

Admiral CLARK. I sure appreciate your telling me that somebody quoted me in that regard. I assure you that the CNO did not say that. It sounds like a comment that would be made to justify some budget line and it might have been reduced a little bit, and somebody said that. This CNO did not say that. In fact, I have visited with numerous of the NJROTC units when I am on the road. It is a great opportunity to talk to them about what America is about, that they get a chance to make a difference, and that they are going to learn leadership and that is what we teach them. So that did not come from me.

The other question was about the long-range missile system. Our long-range missile system is Tomahawk today and TACTOM for tomorrow. I cannot do ranges in here, but it is a real long-range system. We are also in this year's budget. Again there is funding for the affordable weapons system, which has been in S&T for the last two or three years and is making great progress in the testing area.

Help me with the last one please, again? I am sorry. Oh, Speicher.

Mr. REYES. Yes.

Admiral CLARK. The question was the radio he had?

Mr. REYES. Right, the downed aircraft radio, the survival radio.

Admiral CLARK. Right. There are new radios that are now available. Over the course of the last 14 years, the product has been improved. In fact, I will have to go check and see which one he had in the airplane. There was a new radio that was being introduced and some airplanes had them during the Gulf War and many did not. Frankly, I will have to get the details for you, Congressman, and I would be happy to do that. I will tell you that, yes, since then, the outfitting of the new upgraded radio has long since been complete.

Mr. REYES. Okay. The only other thing that I want to make sure, in the President's budget, does he request funding for the National Junior ROTC?

Admiral CLARK. Yes. There is money in the budget for the NJROTC. I do not have the number. I will be glad to provide that for you for the record.

Mr. REYES. Very good. Thank you again.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Gibbons.

Mr. GIBBONS. Thank you very much, Mr. Chairman.

Gentlemen, I want to add my voice to the chorus of my colleagues up here in our great pride for the men and women in the uniformed services of our country, and for the work you are doing as well for this Nation.

I also want to say how proud Nevadans are to be the home of the Top Gun School and the Electronic Warfare Center for training for the United States Navy. We take great pride in the presence of the Navy in the state of Nevada, even though we have no nexus to any ocean, river or bay that could get the Navy there otherwise.

Mr. Secretary, I do not want to put you on the spot, but I do want to ask a question that may be somewhat out of the ordinary for this hearing today. It has to do with geothermal resources based on Navy lands. Mr. Secretary, I am concerned about the lack of progress being made on an adjustment, or adjusting the current contracting for developing geothermal resources at the Navy Air Warfare Development Center in China Lake, California.

I am puzzled by the inability to get beyond the current paradigm contractual structure in order to enable investment, investment that is necessary to develop the resource beyond, not currently, but beyond the current contract the Navy has. As you may know, the law has the Bureau of Land Management under the Department of Interior administering all oil, gas, coal, and mineral leases on military land.

Geothermal happens to be the exception and only in the Navy is it the exception. It is the only extractive process that the military oversees on their land. Additionally, there is at least one other instance that I am very well aware of that the Bureau of Land Management (BLM) does administer a geothermal lease on military land. So it is not consistent.

The military is insisting that they need unique policies for geothermal development, yet the military does not require a unique regulatory regime for development of coal, minerals, phosphates, oil or gas development on their land otherwise. But rather, it allows for the development of those minerals on lands to occur in accordance with the Federal mineral leasing laws through the Department of Interior, as I previously stated.

There is absolutely no compelling reason that I can see, Mr. Secretary, why geothermal should be uniquely discriminated against. There is no reason why any company that develops geothermal resources on military lands should not be treated in the same manner as every other geothermal lease on any other Federal land or on those specific lands where the BLM does administer geothermal leases on military land.

Specifically, I am concerned by the inability of the Navy after 20 months of good faith effort to successfully negotiate a business arrangement to protect the development of renewable energy resources at the Naval Air Warfare Center, China Lake, and the inability to proceed with a business-based approach to ensure investment to protect the resource development beyond the term of the current contract, will hurt the resource, hurt the Navy and the local community.

In my view, it is not good stewardship of either the resource or the revenue. We would have none of these problems proceeding to-

ward the future with BLM land use. The problem is apparently with the Department of Defense contracting inflexibility.

Mr. Secretary, I would like to address this with you further if you do not have an answer or a response for it at this time, but if you have a response, please feel free to share it with us at this time.

I have one other question that I would like to address with you if I may. The importance of our training ranges are very critical to this Nation's military testing. I understand that the Navy—or let me preface that. Congress last year appropriated money to protect our ranges from encroachment. I understand that the Navy has not yet laid out the process to implement and use these funds to develop protections from encroachment. I just would like you to update the committee on the status of using these funds to protect our ranges.

Secretary ENGLAND. Geothermal, I think, Mr. Gibbons, it is best if we have a separate discussion on this. As I recall last year, we had a two-year extension I believe by the Resource Committee. I am sort of grappling with this now. We will have to get back to you on this whole geothermal. We do obviously have issues about base security and doing our missions, et cetera, because it cannot be disruptive, obviously, to our mission. Primarily, that is why we have the land, right?

Mr. GIBBONS. Mr. Secretary, I would hope that is the only answer, but it does not justify necessarily excepting geothermal when you do the very same thing for oil and gas, drilling and development of that resource on Navy bases, or for any other mineral resource development on military land. It is all run by one agency.

The Administration has already stated in that hearing that it would be better to have a single agency responsible for a uniform contracting capability. This is something that we need to talk about and need to develop further, why this exception is in there. I apologize for interrupting your comments.

Secretary ENGLAND. That is okay. So we will talk about it, Mr. Gibbons. We will make arrangements with your office.

Mr. GIBBONS. Certainly. I would appreciate that.

Secretary ENGLAND. Okay, so we will make arrangements with your staff and we will have this discussion with you, sir.

Mr. GIBBONS. Thank you.

Secretary ENGLAND. Better prepared than I would be today for that conversation, frankly, and I am sure it will take more than the time available today, also. So we will get back with you.

On the encroachment issue, encroachment is obviously a major issue for us at all of our bases. We work with local communities. We have land use plans, et cetera. I guess I am not familiar with the specifics of the law last year in terms of funding available. I expect our people are familiar.

CNO, do you know specifically what we are doing in that area? This is an area where we work closely with the local communities because encroachment is obviously detrimental to our training, but I am not familiar with the specific issue you are talking about, and that is another case for me, unless CNO or commandant have an input. Again, we have to close the loop with you, sir, after this meeting.

CNO, do you?

Admiral CLARK. I do not know the specifics of the financial side of this. They are laying out the process and procedures, but we need to get back to you with the specifics.

General HAGEE. Mr. Gibbons, I have a comment. First off, I would like to thank this committee and the entire Congress for support of this very, very important and, as you said, critical area, to ensure that we have the right spaces and the right ability to train our Marines. We have the integrated national resources and range management plan. We have 16 of those throughout the Marine Corps where we believe that we are good stewards of the natural resources and also managing the ranges. We have completed 15 of those 16 plans. We have spent about \$8.5 million in developing those particular plans.

We are also looking at purchasing buffer zones or lands just outside of several of our major bases to ensure that we do not have encroachment in the future. So we are working very hard in this area, sir.

Mr. GIBBONS. Thank you, gentlemen.

The CHAIRMAN. I thank the gentleman.

The gentleman who spent some time in Iraq with us and spends lots of time with the troops, the gentleman from Hawaii, Mr. Abercrombie?

Mr. ABERCROMBIE. Thank you, Mr. Chairman. Aloha. Gentlemen, thank you for coming.

Mr. Secretary, last night I was very disconcerted. On the television all of a sudden I am looking at a commercial from Halliburton, a commercial. It was sickening, for one thing. It is one thing to talk about these simple-minded morons in the Super Bowl, but these guys are contracted out of taxpayer money for defense and they are on there with this treachery business of some guy having a baby and he is on the phone and all that, just geared to try and pull at the heartstrings of the public.

The Post reports today on a hearing in the Senate of in the year 2002, \$165 billion being contracted out, private contractors doing defense business. I do not have the figures for 2003, or how far we have gone in 2004, except we have had this morning, at least on a couple of different occasions, including what Mr. Snyder was talking about, and both the Chairman and Mr. Skelton about supplemental budgets, and whether or not we really have the oversight of what is going on.

I am really upset. You cannot take responsibility for this, but I am getting to the point about contracting and about reserves. You cannot be responsible for Halliburton taking ads to justify its getting defense money. You really have to look into that. How in the hell do they get the gall to take an ad on television, presumably out of the profits that they are making on defense?

You folks are supposed to be looking at this. It is actually our responsibility, but absent that, being able to take a keen insight into how the supplemental is being spent. You folks have the responsibility and the duty to oversee how these funds, whether it is the supplemental funds or those which are authorized and appropriated now in this process, are spent.

Now, if it was \$165 billion in 2002 and probably approaching \$200 billion now, what it means to me is, and I think this is where the committee has to really, really be concerned, is we are privatizing defense in this country. We are getting close to a 21st century version of what the English empire did. For example, the East India Company was in effect the empire in South Asia. The Middle East and South Asia was being run by a private company, administered by a private company, a monopoly company on behalf of the government, and acted as an independent government.

What happens under those circumstances is we do not have any effective control, constitutional control and oversight over it. What also happens, and what bothers me here is that the country gets detached from a genuine relationship with the armed services and the military policy of this country because it is privatized. It does not have the same kind of oversight. It does not have the same kind of inquiry. It is a commercial endeavor.

What I am concerned about is, is the Navy going to be contracting out its services and further decimating the civilian Navy, the civil service that serves the Chief of Naval Operations? It serves the Marine Corps, which I consider an integrated part, an extension of the Navy on the civilian side. What kind of contracting policies are you going to have with this budget with respect to this A-76 inquiries and so-called efficiency on bases? I am asking particularly where the Navy is concerned, and I am going to use parochial examples.

There is no way that you can bring in a civilian company, a commercial endeavor whose primary object is profit, not serving the interests of the United States Navy or the United States armed forces no matter what kind of propaganda is put on television or some other media outlet, but whose primary purpose is profit. You cannot come onto the Pearl Harbor Naval Base and understand what is involved with the Navy, its history, its institutional memory that is required in order to maximize the proficiency involved in serving the interests of the Navy. I don't believe it. I don't believe it for a second.

When we go and talk about visiting the troops and we talk about examining the professional capacity they bring to bear, which I not only accept, but have observed and I think has been not only alluded to, but specified at this hearing and other hearings over and over.

Mr. WELDON [presiding]. Could my friend, my old buddy, could you maybe wrap up and let them answer your question? I think we get the drift.

Mr. ABERCROMBIE. Okay. What is going to be the policy with this budget with regard to contracting out services, contracting out civil service support for the United States Navy?

Secretary ENGLAND. Mr. Abercrombie, let me try that. I think it is the policy it has been for as long as I have been in this job. That is, we will continue to do core functions within the Navy, but in areas where we can have more competitive prices or more competitive task, we will compete those on the outside. That is the mode we have been in. Our job is to make sure that we support and do everything we can for the United States military. That is our obli-

gation to our citizens, but it is also to do it as effectively and efficiently as we can, and to spend the taxpayers's monies wisely.

So we have of course contractors, profit-making companies that do work throughout the Department of Defense. They build our airplanes and our ships and build our system. Without those great Americans doing that, we would not have a military. So it is important that we rely on the private sector. We will maintain our core functions, but when it is not core to what we do, then we will have those competed with other great Americans who make up the private industry.

Mr. ABERCROMBIE. The question I asked, Mr. Secretary, was in the wake of all of these years that this has gone on, what is the Navy going to do? What core functions haven't you examined yet?

Secretary ENGLAND. It is a continuing process. There are always studies going on looking at what we are doing and what is it that private industry could do, and how do those rate. Frankly, over the years our government organizations have become more efficient in that competitive environment. They win a lot of times, but they are typically more efficient as a result of that process.

At times, it also gets contracted out. So those studies continue as an ongoing process. I frankly believe we owe it to the taxpayers because that is an obligation we have. We have a fiduciary responsibility to spend that money wisely and we do it in the best interests of the Navy and our citizens.

Mr. ABERCROMBIE. I can see that, but I have not seen an examination recently of Civil Service employees skimming \$62 million in excess profits out of food service preparation or provision, the kinds of things that we see today that are taking place.

I understand what the theory is and I understand what the public relations proposals are, but the question I asked is what possible functions have you not already examined, that could be done with private contracting, that is not going to result fairly soon in essentially a whole private network, what President Eisenhower referred to as a military-industrial complex, with a whole private network, with hundreds of billions of dollars essentially with no oversight or insight in it and a praetorian guard mentality being established for the military.

Mr. WELDON. The gentleman's time has expired.

Mr. ABERCROMBIE. The question won't expire.

Mr. WELDON. Mr. Simmons.

Mr. SIMMONS. Thank you, Mr. Chairman.

I served in Vietnam for three-and-a-half years. I remember that Bechtel was there. I thought Bechtel did a pretty good job. Maybe there were a few bills that were not paid, but that is what oversight is all about; Raymond, Morrison, Knudson-Brown, Root and Jones (RMK-BRJ), a major contractor in Vietnam, as I recall. The joke among the troops was the "J" stood for Johnson, but we did not really know for sure. That was the joke among the troops.

I have been to Iraq. I have been to the mess hall there. I was an Army cook. Let me tell you something, the mess hall they have there in Iraq that was built by Brown & Root, I would have loved to cook in a mess hall like that, because when I was cooking in the Army 30 years ago, we did not have anything like that mess hall.

So I guess it seems to me that the issue of privatizing, you know, I don't get it. Private contractors have always been involved in supporting the war effort. Private contractors are providing the up-armored Humvees that we are trying to get out to our troops. Electric Boat (EB) is private, but they build damn good submarines, from my perspective.

Mr. ABERCROMBIE. Will the gentleman yield for a moment?

Mr. SIMMONS. No. Mr. Chairman, I would like to address the panel with some questions.

Mr. ABERCROMBIE. Well, then don't ask me a question.

Mr. SIMMONS. The gentleman had his time.

Mr. ABERCROMBIE. Then don't ask me a question on your time.

Mr. SIMMONS. I won't. I have heard what you had to say and I don't agree with it, and I don't think too many people in the room agree with it. I think it is outrageous.

Mr. ABERCROMBIE. I think you are mischaracterizing it.

Mr. SIMMONS. That being said, Mr. Chairman, I have some questions for the panel if I could proceed.

First of all, I want to commend the Secretary for the transformation of the Navy. I am proud to be an Army guy, 37 years-plus, but I think the Navy is doing a heck of a good job of transformation. I commend you on that. I think it shows in your presentation.

I commend you on multi-year procurement for submarines. I think that is a risky enterprise. It is one of the biggest multi-years we have ever done, but I think you will be pleased with the results. I am very excited by that. I look forward to the day when we get two a year, but I won't get into that.

A couple of questions, and because my time is limited, I will ask the three questions and then ask for the answers. First for General Hagee, I understand the first Marine Expeditionary Force (MEF) is heading over. If you don't have up-armor Humvees, I suggest you get them as soon as you can. If they are telling you that your troops are going to get up-armor Humvees when they are over there, you better have somebody with a lot of stars on their shoulders to make sure they do.

This is the number one source of casualties for our Army personnel on the ground. My suspicion is that the IEDs that they have deployed there are going to be just as lethal against the Marine Corps. So I would be interested in your response to that question.

With regard to the issue of base realignment and closure (BRAC), on page, well they are not numbered, but there is a reference to BRAC. My big concern with BRAC, and I think it goes beyond just the situation that we have in my district, where a Navy submarine base is part of submarine production, which is part of the Underwater Warfare Center, which is part of a major Marine exploration initiative headed by Bob Ballard, who discovered the Titanic.

So there is synergy, and that the data calls for that base do not include the synergy of what else is going on around there, both in the civilian manufacturing field and in the academic field, then we miss out. So my question to you, Mr. Secretary, is, when the data calls begin to go out for the BRAC, is there going to be synergy?

My third question to the Chief of Naval Operations, the last BRAC we had in southeastern Connecticut and Rhode Island involved NUWC, the National Underwater Warfare Center. They closed the Connecticut facility and moved it to Rhode Island. In the process, many of the workers that the Secretary refers to, the civilian workers, as experienced and dedicated and skilled human resources, et cetera, et cetera, they put in extra hours to make it work; extra hours to continue their mission and extra hours to do the closing.

Subsequent to that, those extra hours have either been not respected by the Navy; in other words, they have not been paid for those extra hours, those leave times. Or if they took the leave times, they have been asked to reimburse the Navy for the leave time taken. This is a small issue. It is an issue that I introduced legislation on last year, but again in my dealings with the Navy, only a few of those people have been reimbursed.

So I would just say to you that as we move into this next BRAC, and as I look at the only BRAC that I have experienced in my district, and I look at these civilian employees who made an extra effort and were told that they would be reimbursed in the sense of getting extra leave time, and yet the message is if we put in that extra time on a BRAC, we are going to get the shaft.

So I would just ask the three of you if you could response to those questions.

General HAGEE. Yes, sir. Mr. Simmons, thank you very much for that question. We have worked very closely with the 82nd Airborne; that is the area that we are going in. We have been very impressed with what those great young soldiers have done over there and how they have improved the situation that we are going to go into.

We have about 3,000 vehicles, just over 3,000 vehicles that we are taking in. We have plans to harden every single one of those before the so-called TOA, the transfer of authority, occurs at the end of March. Not all of those will be up-armored Humvees, but they will all be hardened. We are actually getting about 270 up-armored Humvees from the United States Army. We are bringing over 439 of the up-armored weapons carriers, and we are getting 27 of the M-1 114s. Those are the true up-armored Humvees right off the line. I feel very confident about where we are right now, sir.

Mr. WELDON. General, if I may, the Army is also leaving all of their up-armor there for you, isn't that true?

General HAGEE. That is correct. They are leaving the kits that they have there for us, and we will apply some of those kits to the Humvees that we are bringing into theater.

Secretary ENGLAND. Mr. Simmons, regarding BRAC, we do have the 700 questions from 700 activities throughout the Navy. The question is, does it directly deal with synergy. Frankly, I don't know if the questions deal with synergy, but I can assure you that we are going to make wise decisions. We certainly have to consider everything that is interconnected. In fact, one of the things we are looking for is jointness and interconnectivity, et cetera. So in a larger sense, exactly what you described is what we will be looking at as one of the criteria in the whole BRAC process. I believe that will all be considered, sir.

Thank you for your comments about the multi-year. It is a great victory, we believe, that Congress supported the multi-year for the Virginia-class submarine. This is a very important year because that first one is going to deliver. This is something we have been looking forward to and anticipating. We need Virginia.

With regard to the NUWC question, I am sorry that I do not have all of that history, but let me say this about being committed to a process that is fundamentally fair and done right: That is the way we want this process to be executed. It refers also to your last question, as the uniformed member of this institution, you can be assured that that is where I am going to come down.

Mr. SIMMONS. I thank you. I will share with your staff the details on that. Thank you.

Thank you, Mr. Chairman.

Mr. WELDON. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

I want to again thank you gentlemen for sticking around so long, and thank you for what you do for our country and the people that you represent.

Three quick things. I will start with an observation. When someone does something right in this town, it leaves a good legacy. When we make a mistake in this town, it leaves a bad legacy and the citizens, whether we make good decisions or bad ones, are stuck with that legacy.

I will start by saying, three years ago from right now the President said he could increase spending, decrease taxes and balance the budget. That legacy is \$1,300,000,000 of new debt. So that is not a good legacy. I say that in that I see some things in this budget that I do not think are good legacies.

First, to BRAC. I read with great interest on page 13 of your testimony, Mr. Secretary, where you talk about BRAC, and we sold some property here, we cleaned up some property and then sold it. What I would like you to provide for the committee now, if not when you can get your hands on it, is how much did the Navy spend to clean up that property that it sold.

I would like to see the bottom line of what we spent, compared to what we sold that property for, because I have a feeling that we lost money on the deal, but I am going to give you the opportunity to tell me that we did not. I know we lost the property forever. They are not making any more land in America. If we have to replace it, we are going to spend a lot of money.

The second part of it is, I would like to know, toward that end, how much has the Navy and the Marine Corps spent buying land in constructing an airfield in North Carolina for the F-18E and F-18F to make up for the property that we cleaned up and gave away at Cecil Field in Florida. That is the first round of questions.

The second thing is, I also noticed that you are looking at a five-year plan for shipbuilding. On a five-year plan, it looks pretty good. If you break it down to a two-year plan, this year and next year we will not build as many ships as we will this year and last year, and last year was really a pitiful number for shipbuilding at seven.

Even at nine, if we are fortunate enough to get 30 good years out of those ships, that still leaves us with a 270-ship Navy. As we know right now, your Block One cruisers that are less than 20

years old are getting ready to be retired, so we can't even count on getting 30 good years out of them.

I realize you are talking 5 years from now building 17 ships, but Mr. Chairman, that is no guarantee you will be where you are or I will be where I am, or quite frankly any of this is going to happen. All we can really look at is this year and next year. I do not think this year's and next year's numbers are really all that swell when you consider that the defense budget has grown by \$100 billion, and yet Navy shipbuilding is just growing by very small bits and pieces. Again, I am willing to hear your side on that.

The third thing, and we have talked about this privately, and we can talk about it publicly, and I am going to pester the dickens out of anyone who holds an important job in the DOD until we solve the problem. The problem is improvised explosive devices. Every Mississippian who has been maimed or killed in Iraq has been the victim of improvised explosive devices. General Sanchez, off the top of his head, so I realize I can give everybody a little leeway when he tells me it is off the top of his head, tells me that over half of all the casualties in Iraq have been a result of improvised explosives.

We are talking here about spending \$1 billion this problem, \$500 million on that problem. And yet here is something we know is killing GIs, is maiming GIs, and I really do not think we are devoting the resources toward fixing it. I had a great briefing involving your guys, and I think they are doing a great job of looking way out in the future. The problem is I do not think we are spending the money that we need to be spending right now to save those lives. And I do not think we are dedicating the resources.

Again, I have been told that they have the price down of the jammers to keep a cell phone from detonating it, or a doorbell opener, or garage opener, from detonating it. I am told that they have the price of these jammers down to \$10,000 a copy, and yet our goal is not to protect every vehicle; it is not to protect half the vehicles. That number is classified, but I can assure you that the Iraqis have figured out that a minuscule number of our vehicles are protected, and if they keep hitting that detonator or keep dialing that number, that eventually they are going to kill an America that is driving by.

I really want to hear somebody way up the line tell me we are going to devote the resources and give every GI and every Marine and every airman over there the same sort of protection I got and the Chairman got and Neil got when we were over there. If it is good enough for us, and we are there for a day or two at a time, it is good enough for them, and they are there for a year at a time.

Secretary ENGLAND. Can I comment?

Mr. TAYLOR. Yes, sir.

Secretary ENGLAND. Let me do the last one first, on the IEDs, if I can. First of all, it is a complex problem and this is a smart foe and they are very adaptable, so they adapt to what we do, and it is an ever-changing environment. We, some months ago, asked our naval research facility to literally survey industry and Defense Advanced Research Projects Agency (DARPA) and everything, everything we knew that was going on that we could go defeat this threat, and also provide capability for our Marines before they

went over. We have been working closely with the Army, with every agency. I can tell you, money is not the issue. There are some interesting capabilities that are about to come on-line.

I have said I don't care what the cost is, we will go do whatever it is that we can do as a Nation before our Marines go in to make sure they are fully equipped with every single thing we know that we can do. That is the ground rule in the Department of the Navy. So we are working the IEDs. The Commandant and I just last week, with the Army, had a long session reviewing everything that everyone is doing in this arena.

It is a complex problem. It is not just defeating one threat. It is a wide variety. So we are doing everything we can. I can assure you this is not a money issue. At O&R, we went through, here is what is available today, 30 days, 60 days, 90 days, a year from now. We went through every technology. Basically, all that data has been made available to the Marines and they are testing a lot of that equipment before they go. I believe that we are doing everything in this arena that I know to do in terms of pulling in industry and labs and everybody.

Mr. TAYLOR. Okay, to that point, and again it is now almost ironic that I had a closed briefing last Wednesday, and last Thursday the Washington Post has a full-page story telling people exactly how to make an improvised explosive device. So I do not think we are letting the cat out of the bag here. We know that one of the ways that they detonate them is cell phones——

Secretary ENGLAND. That is one way

Mr. TAYLOR [continuing]. Which gives them the greatest range to detonate it, much better than a remote-controlled doorbell or garage opener.

We also know that we are very close to allowing private enterprise to set up a cell phone system in Iraq that would potentially put another nine million detonators in the hands of insurgents. I am told that the folks in the Special Operations Command have expressed grave reservations about putting that on-line.

If those folks made that request to you, my question to you in your capacity as Secretary of the Navy, on behalf of the United States Marines who are going over there, would you ask for a delay in implementation of allowing that cell system to go up, knowing that it is a weapon that has been used and in all probability will be used again us?

Secretary ENGLAND. Mr. Taylor, there are some things we cannot talk about in this room. I understand this cell phone issue, but there are other dimensions to that that we really need to be off-line on this. I am not comfortable having this discussion with you, because there are some very subtle aspects to this discussion that are hugely important in terms of what we do.

I can say this. Anything that would lead to people being more effective in utilizing IEDs, obviously we would not support that. If somebody is going to put something in that just makes it easier for IEDs, we would not want to do that, but I am not sure it is that straightforward.

Mr. TAYLOR. Mr. Secretary, I know you to be a good guy. I am asking you as a good guy, please give that every consideration.

Secretary ENGLAND. I understand the input. After this meeting, I would like to just have one minute with you to clarify one aspect of this discussion, if I could. Okay? But I do want to assure you, Mr. Taylor, that everything we know to do, and I will ask the Commandant to speak up on this.

The statement has been we will do everything, regardless of what it costs, but we will protect our Marines and our military that goes overseas. Whatever it is they need, they will get. No matter what we have to do, we will find the money to go do that. So money is not an issue to do this.

We are looking at every kind of technology we can, and we want to deploy it as quickly as we can. We have marshaled every resource that I now to marshal in this country to go work this issue. So I just want to assure you that this is the highest on our list.

The BRAC, we will get back with you on that issue. I do not know exactly expenditures. I will tell you that we are not giving away land now. We sell land and then we use the proceeds to clean up. So we are accumulating funds to do the cleanup, so we are not just using other funds to do that process, but I will get you the specifics.

I believe we are trying to do that smartly in a business sense, and I think it does make a lot of business. I cannot speak for the past, how it was all done. I can tell you how we are doing it now and I will get you those figures, sir.

Commandant, if you want to have a comment about IEDs.

General HAGEE. It is also my top priority, sir, and money is not the issue. The Secretary mentioned this task force that the Army has stood up, task force IED. It is a permanent stand up. It is not temporary. Army, Marine, Air Force, Navy are involved in this, looking at what is going on right now, how we respond to that. Almost more importantly is how the enemy is going to respond to our countermeasure so that we can be inside of their decision cycle.

I would be happy to come over and talk with you about not only the technologies that we are looking at, but as you know, sir, part of it is tactics, techniques and procedures, and some of the things that you can do based upon the actions that they are taking. We really cannot talk about that here in this room, but I would be glad to come over and discuss that with you, sir.

Mr. TAYLOR. I would welcome that opportunity. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. I thank the gentleman. I appreciate his focus on this critical area.

One thing we have to be able to do, Mr. Secretary and Mr. CNO and Mr. Commandant, is we have to be able to move quickly in a coordinated way to enemy actions. The way you win on a battlefield, obviously, is when they take a particular tactical action, to be able to respond to that quickly.

I think we have the ability to spend money and lots of money, but we have a less-than-streamlined bureaucracy, and we will take actions in an area; we will have a requirement that will flow down, and then the system goes into place. We, in Congress, perhaps are as responsible as anybody for ensuring that we have a slow system. You have to have a requirement; you have to have a procurement

system of some sort; you have to invoke waivers if you are going to do stuff rapidly.

Ideally, what we would have is to be able to see something on the battlefield; have a battlefield commander report it; and have an immediate industrial response that focused the full weight and effect of American resources and technologies on that problem. We move with some sense of urgency and we move with people whose hearts are absolutely in the right place, but often you will find out, you will get down through the bureaucracy and want to find out why something is not there, and you will find out that the order was put in, but that the review or the hoop that had to be gone through or the box that had to be checked off is standard operating procedure.

While you may have an enormous sense of urgency at the top to get this thing done, and you may have an enormous sense of urgency at the battlefield level, you nonetheless have locked this down with a governor, so to speak, on this race car that you need, and the governor that has you at 30 miles an hour is the system. It is a system that we in Congress helped to build. Being able to bypass that system, to have what I would call not just a rapid response force in a military sense, but a rapid response force in terms of the industrial and R&D sense would be a great thing.

We are looking at what we have. We still do not have that. We will talk some particulars and some of the things we saw while in-country, but that is one of the lessons that we are probably learning in this war against terrorism. We have to be able to respond industrially as fast as the bad guys come up with new tactics. So let's work that.

Mr. Taylor, I appreciate your focus on this important area of IEDs. In fact, the majority of casualties being taken now are IEDs or taken from IEDs.

The gentleman from Virginia, who has spent a lot of focus on these conflicts and taken a lot of time and has a great background, Mr. Schrock.

Mr. SCHROCK. Thank you, Mr. Chairman.

Mr. Secretary, Admiral and General, thank you for being here to testify today, and again thank you for your dedicated service to our great Navy and our great Marine Corps. Mr. Secretary, this Member is very happy to have you back. From the day you left to the day you got back, I went into my old uniform kit and took out my mourning band and wore it, and I took it off the day you got back, so I am very glad to have you here. [Laughter.]

The vision of the three of you and your sense of purpose are an inspiration, quite frankly, to all the men and women that you are privileged to lead, that wear our great uniforms.

I want to commend you all for the leadership in superbly executing Operation Iraqi Freedom and for quickly re-setting your forces to surge again in support of the Nation. I believe your budget request is a practical and forward-looking document that will operationalize your vision and your goals and prepare the men and women under your command to continue to do their Nation's bidding.

In the same spirit, I strongly urge you to ensure that the lessons learned from the events of the last two years are not just noted and

studied, but actions take place to correct weaknesses and invest in infrastructure and training to prevent making the same mistakes twice. I am concerned with the difficulties that have arisen over the last two years in integrating active and reserve forces.

This is just one area where demand for greater improvement remains, but your ability to continue to plan and invest for the future, while dealing with the challenges of the present has served our Nation well. I cannot think of any three people I would rather have at the helm of our Navy and Marine Corps than the three of you.

Mr. Secretary and Admiral, I have followed closely the debate over the last few years on the direction of Navy shipbuilding programs. I agree with the general statement that capability must be the primary consideration over the number of ships in the fleet. I look forward to learning more about the character and the capabilities of the DD(X) and the LCS platforms as those designs come to completion, and I hope pretty soon.

Given the emphasis on capability, could you comment on the metrics that are used to measure the capability required, and any implications that they may have on force structure in the future. Given the shipbuilding plan on the table currently, and the projected rate of decommissioning of the Los Angeles-class submarines, some analysts have noted that the submarine fleet could be as small as 30 by 2020. Is that an acceptable number of boats, given the capability that we may require in that area?

Admiral CLARK. I would be happy to take on that question. Let's start first and just talk about how we talk about it and what are the metrics for capability. I think we are in fact going through a revolution in the way we even think about warfare. I believe that it is going through all of the military at a different pace. Let me give you an example.

In Desert Storm, we saw the crosshairs on television and bombs going down smokestacks. That was brand new. It is not new anymore at all. In fact, we know the numbers. Virtually everything we are dropping is precision now. So precision is one of those metrics.

What happens is that precision then changes the way you think about warfare itself. What is happening in the future, and let's talk about DD(X). DD(X) will have a gun that reaches 100 miles. The gun today is, you know the number specifically is less than 20, and that will keep us in the unclassified range, less than 10 actually. When you look at that, the area that we are going to provide fire support to, the United States Marine Corps, is going to explode by over 100.

We are going to keep investing and we are going to spiral and develop this DD(X), an all-electric ship. One day we will bring rail gun on line and the number will be 400 times the area that we can support and bring precision fire to the United States Marine Corps and even the United States Army. What I see as the measures are things like speed, speed of response, precision and combat reach, and then the ability to persist.

So readiness counts, and we talked about that a lot here, but we need to design systems that have persistence designed in. JSF, you asked General Hagee because he is going to get STOVL out of this, but I want JSF. I want JSF because of reach. The Secretary said

unbelievable ranges on the carrier version, almost 800 miles. We could execute a mission all the way to Baghdad without ever going to the tanker. That changes the capability factors.

If you look at, then, operational availability designed-in. This airplane is designed-in to give us better than 90 percent operational availability. That is a dramatic improvement over current capability. It changes the total number you have to buy. Those are the kind of terms that you use when you start measuring capability in force.

What was the second part of the question?

Mr. SCHROCK. Submarines.

Admiral CLARK. I do not believe this nation can afford to have a submarine force with 30 submarines in it. The Congress has consistently funded the refueling of our fast-attack fleet. That has given us a hedge against the reduction. If you look out through the FYDP, it is 54, 55, 56 through the FYDP, and then we have guided missile submarines (SSGN) coming, which goes on top of that. This is an issue we clearly have to deal with and come to grips with what the right capitalization rate needs to be. I can just tell you, Congressman, that this is a major issue for us in the 2006 bill; fundamentally, a zero-based scrub on how we are going to go about dealing with the submarine underwater warfare requirement. We will have more and better information for you and we will continue to be happy to keep you apprised as we are working through that.

Mr. SCHROCK. Great. Thank you.

Mr. Chairman, I know the red light is on, but I would like to ask General Hagee a few questions. General, as a member of the Government Reform Committee, we heard testimony the week before last on a study conducted by the General Accounting Office (GAO) which highlighted serious systemic problems in the pay and personnel systems for Army guardsmen and reservists. The primary systemic problem was the reserve and active components were using two separate pay and personnel systems, and that the training was poor on both sides of the system.

The fact that the Marine Corps uses an integrated system was cited as a reason for the perception that you have experienced fewer pay problems with your reservists. Could you comment on the degree of any pay problems experienced over the last year and the rationale for the Marine Corps choosing to use an integrated system? What we heard from the Army was an absolute nightmare, but apparently you are doing it better. We would like to know why is it working for you, and why can't somebody else like the Army make it work.

General HAGEE. We made a decision some years ago, sir, to go to an integrated pay system, total force. We believe that total force should be managed by one system and should be paid by one system. I do not know of any serious problems that we had with pay, either on the active side or the reserve side.

Mr. SCHROCK. My Army friend here says that the Marine Corps is so small they can do it. I do not buy that at all. When the Marines do something, they just do it well. That is the key.

General HAGEE. I am not going there. [Laughter.]

Mr. CALVERT. How big is the Marine Corps, General?

General HAGEE. Capability-wise or number-wise, sir?

Mr. CALVERT. Number-wise. [Laughter.]

General HAGEE. 175,000 Active duty; 39,600 Reserve.

Mr. SCHROCK. Mr. Chairman, I know my time is up. If we have a second round, I would like to ask further questions.

Mr. WELDON [presiding]. Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. Gentlemen, thank you for being here today. I am sorry I had to leave early. I sit on the Homeland Security Committee and we are having a hearing right now with Secretary Ridge, so I will be leaving shortly after my questions.

Before I begin, I would just like to follow up on a comment by my colleague, Mr. Taylor, with respect to countermeasures and measures that will be taken to improve security of our troops in Iraq and elsewhere. I just got back from Baghdad myself. The troops are doing just an amazing job over there and the morale is incredibly high. We are grateful for their service. I stand with you and my colleagues in doing whatever it takes to make sure that their safety is a top priority and we are doing all we can for them.

If I could, I just wanted to follow up on the submarine question that Congressman Schrock had addressed, and primarily to Secretary England, if I could. Your fiscal year 2004 request proposed a long-term program for the Virginia-class procurement that would increase the procurement rate of submarines to two ships per year starting in fiscal year 2007, which was intended to support a fleet objective of 55 attack submarines consistent with the 2001 Quadrennial Defense Review (QDR). Yet this year's request again delayed the increased procurement rate until fiscal year 2009.

Unless you are immediately prepared to discard the submarine force level objectives that all studies have recommended, your budget request will result in serious implications for ensuring American dominance in the undersea battle space and on the shore. As you know, it takes six to eight years to add a submarine to the fleet, once approved for advance procurement. We are at that critical point where new submarines are needed to replace the older ones rapidly being decommissioned.

What is your position on increasing the procurement rate of Virginia-class submarines to two per year? And will your fiscal year 2009 target slip again a year, taking us to fiscal year 2010? Or is fiscal year 2008 still a feasible target?

My second question, if I could, for either Secretary England or Admiral Clark; the United States has unquestioned superiority in submarine warfare, and that primarily first and foremost goes to the men and women who wear the uniform. This has also come about as a result of the superb technologies developed by Navy research and shipbuilders. We have found this technology development works best when it is funded consistently over the years, not just when a new class of submarines is being designed.

Yet we have seen a significant reduction in submarine-related R&D in your budgets for the last several years. For example, the Virginia-class submarine technology insertion program was completely eliminated last year and is not funded again this year. For the first time in over 40 years, there is no new design for any submarine on the drawing board.

Congress has tried to improve our submarine platforms by increasing funding for such programs as submarine and SSGN payloads and sensor programs, and the multi-mission module Virginia-class submarines, for example, to increase the submarines's contribution to future fleet missions and requirements.

We would like to see a major commitment to this important technology development, too, by keeping a consistent level of submarine R&D funding over the years, particularly in the area of Virginia-class technology insertion to add to the capabilities you say we so much need. Can you comment on this? If you could address those questions, it would be great.

Secretary ENGLAND. First, let me talk about the submarine rates, one or two a year. We are in the five-year multi-year, and last year we actually had a multi-year that was either five or eight submarines. The Congress came back with five. So we are on the five-year multi-year and sort of the lull, and we were encouraged to stay at five, so we will have one a year for five years. That is in response, basically, to congressional direction last year.

Now, when do we go to two? There is a question, obviously, if you stay at one too long, then your submarine force will decline. So as the CNO said, we do have an effort underway. We will address that in the 2006 budget because then we will be moving out past a five-year multi-year so we will be looking at what we do in terms of the total submarine force as part of the 2006 budget.

But the 2005 budget reflects the decision made for the five-year multi-year. So we will stay at one a year of the five-year multi-year, and that was solidified just in January with the contractor. So that is now firm, fixed, and we will stay at one a year for five years. But we will look at what we do in the out-years and we will do that as part of an effort that is underway right now as part of 2006. So that is a hard decision for us in 2006, and we have studies underway to look at that right now. So we will be back addressing that in next year's budget.

Mr. LANGEVIN. So do you believe that your fiscal year 2009 target will slip again?

Secretary ENGLAND. I would say I do not know the answer to that. Again, we are at this one a year, and until we do the effort on the whole submarine force in terms of numbers and configuration, et cetera, it is just too early, because that is an effort underway right now. So I just have to defer. I do not know the answer. I do not believe the CNO does until we do the analysis. That analysis is in work. That has been commissioned. We have people physically working that, so it will be a 2006 issue for us. We do not know the outcome. The outcome will be as a result of all the studies underway right now.

Admiral CLARK. I am happy to address the second part, and align myself with the Secretary's response, and let's go to part two with regard to technology insertion. We are all for technology insertion, but I will be straight up with you. I am not so alarmed about it. We just went critical on Virginia here in the last two weeks, and the very first one is coming down the ways. That leaves me with a sense that I do not have to have another one being designed this year, if I have confidence in this platform.

Having said that, in effect we do have a new one being designed and it is called SSGN. It is not a brand new submarine, but this is about the genius of our people. That is going to be a new one when it comes out and introduces itself into the fleet.

I do need to talk about the R&D and technology insertion question. I want to be honest with you. First of all, you look at our budget this year and last year. It is fundamentally flat with inflation in it. Yet we have increased our R&D. We have 9 ships this year, 30 percent more than the 2005 line had last year when we sent it up here. We would like to have even more, but we are doing everything we can to redirect resources to create the 21st century Navy, not the 20th century Navy.

I will tell you that I have been real hard on programs that just are level-on. I call them the "on-and-on" programs. I will approve investment to go do specific things, but I have been real hard on programs that were just flat and that it was an inalienable right to have that amount of money in the program.

So if you talk to our people in the submarine business, I have challenged them and said, "you do not get that without showing us what you are going to get with it." They have some significant work being done to insert technology in the Virginia-class. But I do not believe it is the right thing, when you look at the tradeoffs that we have to make. We have to submit a balanced approach that gives us a whole Navy, a total Navy that can respond to the challenges around the world.

Just summarily deciding that we are going to invest a flat number forever in R&D is not what we are telling any of our platform sponsors. They are not going to get that. They are going to have more granularity on it than that. That said, we want to make the right investments and we are committed to doing that, because spiraling this platform is what will continue to make it viable well into its service life.

Mr. LANGEVIN. My time has run out. Thank you.

Mr. WELDON. Thank you.

Mr. Cole, please.

Mr. COLE. Thank you very much, Mr. Chairman.

I would be remiss not to immediately thank all of you for your service to our country. I wish every American honestly had the opportunity to work with you as closely as we do on this committee, because they are already awfully proud of you and awfully appreciative of what you do, but it would just be enhanced remarkably if they had that same activity. So again, thank you for what you do.

I have several questions, but I am going to begin. There will be a question at the end of this with a comment, and it was sort of provoked inadvertently by a couple of the remarks here earlier. This whole concept of contracting out is an interesting thing. I suppose I am probably as sensitive to that as most people because the largest employer in my district is Tinker Air Force Base, and the second largest employer is Fort Sill. So we appreciate the civilian aspect and the jobs.

On the other hand, it appears to me one of the great assets we have as a country is when we go to war, you gentlemen are the hard shiny tip of a very long spear called the United States of

America. I hope we never go to war as a military. I hope we go to war as a country, with an extraordinary array of assets to bring to bear, to enhance your capabilities. Most other societies do not have that. It is one of the things we have.

I am always sensitive when I hear poor Halliburton brought up. It was actually founded in my district and I still have 3,000 Halliburton oil field services employees, and I am sure they must rue the day sometimes when the current vice president became the head of their operation, because they take a lot of shots.

On the other hand, I have seen some of their facilities in Iraq, which were magnificent in terms of the capabilities they were providing to our men and women in uniform. I think we sometimes forget that they put their civilian personnel in the line of fire, in a sense, as well. They go over and they are very proud to play a role in working with the American military. It does not mean they should not be held accountable. It does not mean that they should not be audited and looked at. Frankly, everybody should be, as you gentleman are.

I would just ask you, to what degree does the ability to contract out, not with a particular company, just across the board, enable you to enhance your combat capabilities, quite frankly? Does it make a material difference?

General HAGEE. Sir, I can give you a classic example. For anyone who has served in the armed forces, especially as a Private First Class (PFC) or a private, you have been on mess duty, you have been a cook. Starting last year, we turned our mess halls over to a contractor. They have local individuals coming in, cleaning tables, preparing food, and they do an excellent job. We took those Marines that were in those mess halls and we put them back out into the operating forces, which really enhances our operating forces. That is just one example, sir.

Admiral CLARK. I was going to use the mess halls, and I preface it with this. This leadership team has been working to redirect resources to run this business more effectively. Our acquisition accounts are that way because we are doing it. An example, turning over housing. Housing is not a core warfighting business for me. I have to provide housing capability and capacity in certain places, to be sure. But if we find out that somebody can run this business better than we are able to run it, then we want to do that. What we are finding is that when we go check it out, the response is very, very positive.

So it is contracting out. It is also substituting civilians, sometimes, for military. I took a report yesterday that showed on average every time I do that, I save \$10,000 a head a year. So we are going to continue to look for the good business deal. What we are doing in the Navy is that if you are a senior officer in this organization, you better understand that readiness at any cost is no longer in vogue. Readiness at the right cost is what is expected of our leaders.

Here is kind of an axiom. It has to be good for sailors. It has to be good for the taxpayer. When it is, the Nation is going to be the better for it.

Mr. COLE. I appreciate, for one, again what you all have done in that regard, because I think it has made a terrific difference in

frankly the lifestyle of the people in uniform and enhanced our capabilities. You have been wonderful stewards of the resources you have been given.

Let me move quickly to another thing. I have a concern maybe a little bit different about the supplemental process and I would like you all to address it. I am not worried that it will not get the scrutiny that it deserves, because quite frankly I think it will. I am a little uncomfortable on two scores. One you really cannot comment on. I much prefer to do these things before elections than after. I just think it is open and you can have a debate, and people always worry if it is after an election.

The second one does concern me, and I think you can address it. I always worry in this process of funding by supplemental that we will rob Peter to pay Paul and we will never pay Peter back. Insofar as you are funding ongoing operations with unencumbered funds, you will come back with a supplemental with the full expectation that we will replace those resources that you have redirected. I think there is an enormous temptation in this budget environment not to do that. It is sort of, well, they have already gotten that done. I think we run an enormous risk of under-funding you and having you focus on the urgent and the immediate, and perhaps not have the resources you need to have to go ahead with transformation and procurement activities. Are you comfortable if we operate this way that you will get the resources you need?

Secretary ENGLAND. Mr. Cole, let me just make a comment. In the last few years, the system has worked well. Literally, God bless this President and this Congress, because 3 years ago our budget was \$80-some billion and now it is approaching \$120 billion. We did not have fuel for our ships or our airplanes, and we would cross-deck all of our equipment. So we just could not operate this Navy and Marine Corps the way we used to do it. We could not do it today with that kind of funding we used to have. The Congress and the Administration have been extraordinarily generous for us to be able to recoup from years of being very, very lean, frankly, as the CNO said, just in our shipbuilding. It was \$6 billion for the whole 1990's and now it is about double that.

So I am confident that the Congress and the Administration will continue to support us. So far, when we have needed the funds, they have provided, and we are able to do the Nation's business. We are able to do what the Nation expects us to do. So it has worked well. Certainly, you always sort of worry about that, but frankly it has worked satisfactorily for us, and our expectation is that it will continue that way, particularly with the supplementals. As long as the Nation is at war, we will need funds to augment our ongoing operation to pay those costs of war. I frankly thank this committee for the support for the last three years since I have been here of our military in that regard.

Mr. WELDON. Thank you, Mr. Secretary.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

I want to start off by thanking the gentlemen for helping us out this morning to understand the Navy's budget, and for Admiral Clark and General Hagee, I want to thank you in particular for a hearing we had yesterday that Mr. Saxton chaired on the Global

Information Grid and some complex issues with regard to the Department of Defense information technology. Your representatives General Thomas and Admiral Zelibar were here yesterday and did a very excellent job of making something very complex very simple for us on this side of the microphone. So I really do appreciate that help.

The first set of questions, there is a line from MASH when Colonel Potter is talking and BJ Honeycutt and Hawkeye are talking, and they see two flies; I know they are talking about a horse; when they see Colonel Potter, they know he is talking about his horse. When you see me, I am going to ask about Prowlers. It is a sort of an obvious "lead with my chin" on that.

I just wanted to ask, as we are moving toward this movement to the EA-18G and looking at the use of the EA-6B and the dollars that we put into the EA-6B to keep it flying for the last several years, are we done with that investment on the outer wings and center wings, as well as engines? Or do we anticipate something more before 2009?

Admiral CLARK. It is really a great question, and I go into some detail in the written statement. I did not talk about any programs in my introductory, but we have a serious challenge with the EA-6B. We have flown this airplane very hard. All I can say is this, thank God. Last year, we moved this program, the F-18G, three years to the left. Right now we would really be scratching our head trying to figure out how we are going to get to a transition point if we had not done that. That investment was vital.

We flew the planes hard again in OIF and we have significant cracking in some of these airplanes. As a matter of fact, we have had to take some of them off-line and new center barrels are going in. So we are going to spend what it takes for the Nation to have this kind of electronic attack capability, because it is all we have. It is the joint capability.

I will not get into specific numbers here. I would be happy to do it off-line. But we have developed a response that will allow us to regenerate the EA-6B sufficiently to bring EA-18G on-line. This is a priority in our investment strategy. EA-18G, I seek your strong support for us to move rapidly to a fiscal year 2009 initial operating capability (IOC). It cannot come too soon for the G.

Mr. LARSEN. Okay. Thanks. So that timeline is still in place. Obviously, we will stay on top of it. I know you all will stay on top of it and let us know what we need to do to help.

My second question, and perhaps I could get a briefing on it, but it has to do with the fleet response plan. Of course, the Lincoln was the poster child for deployments that went slightly over six months.

Admiral CLARK. It went way over. [Laughter.]

Mr. LARSEN. Yes, about four-and-a-half months over.

I guess a basic question I have, and I would like to expand on this perhaps in a briefing if you could help set that up, is what changes does the fleet response plan mean to home ports generally, as well as the support facilities? How are you not only changing what you are doing out on the water, but what do you anticipate changing at home?

Admiral CLARK. I can do this real quickly without the details. Broad philosophy, my responsibility by Title X is organize, train

and equip, working for the Secretary. What the fleet response plan has done is attack every one of those and figure out a better way to do it. My analysis is that over time we developed a business case that we would do, for example, in maintenance and overhaul after every deployment.

I have asked them to figure out, and every ship I commanded when I brought it home it was in better shape when I brought it home, but we feared what would happen if we did not go to work on it. So what we have done is we have done some experimentation. I have this sea-swap experiment going on right now. We are on the fourth crew serving six months, and it is getting ready to come home.

So what we have done is we have attacked, organizing it, training it, equipping it to make it available—operational availability is the key metric here—to make it available over a bigger portion of its life. So, fundamentally, we will do deep maintenance after one deployment and a shallower form of maintenance after another. We will do the maintenance required, whatever it is, to maintain this kind of response capability. That is the heart of what is happening.

Mr. LARSEN. Okay. If I could follow up with your Office of Legislative Affairs (OLA).

Admiral CLARK. We would be very happy to come and give you a detailed brief on it. By the way, this is real transformation. Sometimes it is new hardware. Sometimes it is new thinking. This was dreamed up by our young people.

Mr. LARSEN. Thank you, Admiral.

Mr. WELDON. Dr. Gingrey is the next questioner.

Dr. GINGREY. Thank you. I want to join my colleagues in thanking each of you, Secretary England, General Hagee, Admiral Clark, for your service to our country. I particularly want to thank you for your patience in sticking around for as long as you have been here this morning, almost three hours, I am sure. Representative Meek and myself who are sitting down here on this first row appreciate the fact that you have stuck with us this long. I have waited three hours to ask my question. Like Representative Larsen says, I am leading with my chin a little bit on this one.

Secretary England, I want to thank you very much, first of all, for your accessibility and frankness with me on the issues and concerns that I have about the reserve FA-18 fighter squadrons. I do not want to get too parochial, but as you know, Naval Air Station (NAS) Atlanta, where one of those squadrons is, and also, General Hagee, the Marine Aircraft Group is there, as well, with their own squadron of reserve units. It is very important, and it is not just, as I say, a parochial question, but in regard to how we are going to utilize the reserve squadrons going forward, and what the plans are specifically, both from the Navy's perspective, Mr. Secretary and Admiral Clark, and also, General Hagee, from the standpoint of the Marines. It is very important to us, and I think they are doing a great job. I think from the standpoint of cost effectiveness, and Secretary England and I had this discussion at his office, and I really appreciate that. I would just like to get an update on that, if you will.

Admiral CLARK. We will continue to work with it. Others have asked the question about active-reserve integration. We are com-

mitted to that. As I said earlier, Congressman, we have a major effort this year. Submarines is one of them; active-reserve integration and right-sizing, whatever the reserve structure needs to be, that is the issue for us this year. So we will keep you apprised as we do our work.

Dr. GINGREY. Mr. Secretary, would you comment?

Secretary ENGLAND. Dr. Gingrey, things have not changed really since we last talked. We are still on that path. We are going to do some substitution, as we discussed, with E-2Cs, also, for NAS Atlanta. So we are still on that plan. Again, as we discussed and also CNO just said, it is part of our integration to make our reserves even more relevant than they are today.

So we will continue to integrate our reserves more closely. That will result in some dislocation of what we have today, but we are sensitive to all that and we are trying to work that in the context of all of our facilities. So again, as the CNO said, we will continue to work that with you.

Dr. GINGREY. Thank you, Mr. Secretary.

General Hagee, will you comment on that?

General HAGEE. Yes, sir. I would align myself with the CNO and the Secretary of the Navy. I may say that we are going to deploy about 3,000 reserves over into Iraq on this latest mobilization, Operation Iraqi Freedom II. We have used about 47 percent of our reserves and the selected Marine Corps reserve has been called up and in fact have deployed. Only about 3 percent have been called up more than once, and we actually have 11 who have been called up 3 times.

We feel fairly comfortable on how our reserve organization is structured. We are actually looking inside to see how we might restructure some of it where necessary, especially when we are talking about military police, intelligence or civil affairs.

Dr. GINGREY. One of the things, the point was made that the reserve fighter squadrons had not been utilized heavily in the past. I was given some statistics. I forget the exact number, but it was a low number. My argument would be that, well, maybe based on their performance, certainly, in Operation Enduring Freedom in Afghanistan, the Navy reserve squadron out of Fort Worth, in particular, had such an outstanding track record in success of sorties and sorties flown, and making a good grade on every parameter by which they are measured that possibly we need to strongly consider more utilization and not less utilization.

I would guess—you guys of course crunch the numbers—but I would guess it would be much more cost-effective if those units could do the mission and do it well, just as well possibly as the active component. That certainly is the argument that I made to Secretary England and would like to reinforce today.

Admiral CLARK. If I could respond, we spoke briefly about fleet response plan, and the performance was terrific of the F-18 squadron because they are rich in experience, and it showed. I am convinced that the integration concepts we are talking about of the reserve, and what I see that is happening is that a squadron like this would become what we are talking about calling a fleet response unit that deploys in emergencies.

Fleet response is not about routine peacetime deployments. It is about what do you do in a crisis; what do you do in an emergency. So that is exactly the way we are thinking about the structure that we need to have for the future.

General HAGEE. I would agree with the CNO, and just expand a little bit on that. We had all the F-18 squadrons that there were room for during Operation Iraqi Freedom. We still had units back here, especially ground units, that were training, getting ready to go over. The sorties that gave them the capability to perform were in fact flown by reserve squadrons.

We are a total force. The reserve squadrons that we have here in the United States fly in support of our exercises and our training on a continuous basis. We believe that those squadrons are on a par, and in some cases maybe a little bit better, than some of our active duty squadrons. They are really quite good.

Dr. GINGREY. Thank you very much.

Thank you, Mr. Chairman.

Mr. WELDON. Thank you.

Mr. Meek.

Mr. MEEK. Thank you so very much, and I want to thank our panel for being here. I apologize for not being here at the top to see or hear your presentations, but I have definitely, during the time I have been here, taken a look at what you have all had to say.

I am a member of the Homeland Security Committee, and others have said that we have Secretary Ridge before our committee now, that just about holds the same importance as all three of you here as it relates to our national security.

I know that the Ranking Member pretty much asked a question as it relates to the Marines and what is going to happen in Iraq, and pulling our forces from other strategic areas of concern like North Korea or South Korea. I am a little concerned about it. I guess it is just mainly not a budget question, but usually, annually, every time we get an opportunity to ask you all direct questions, a lot of the letter-writing is not necessarily clear on how we are going to maintain our force.

I first just want to say that I appreciate the work that all of you are doing, and many of the individuals that are providing the very freedom that we are celebrating here today. But I am quite concerned about not only the reserves, but also the National Guard and others that are spending great periods of time on deployment. I want to know how that is going to affect not only recruiting today, but recruiting tomorrow.

Many young people that I run into during my travels throughout this great country of ours, some of them would love to go, and then others do not want to become a part of our armed forces, not the fact that they are unpatriotic, they are just concerned about some of the things that they hear about in news reports of many young and old individuals running into financial hard times due to their commitment to service.

I just want to say that the downside of deployment or being in a theater of war will always be highlighted by the media. I think it is important that we get that message out to individuals that

there is assistance for those that may run into financial hard times. I just want you to just mention a few things.

Secretary England, I know what you said about thin times through the 1990's as it relates to the funding. That is one question up front, but the thin times during the 1990's of not being able to have the dollars that we need, but I think it is important as it relates to some of the outsourcing of even DOD projects outside of your purview, that the branches really take a very strong look at some of these contractors that are carrying on abuses that will reflect, once again, on the bad.

I believe that we should have a well-equipped and well-funded military. Obviously, in voting for the authorization bill last year, even though I had some disagreements as it relates to some of the personnel issue that was in that bill, I felt that it was important to send a strong message not only to Americans, but those throughout the world that we look forward to that.

I believe as it relates to our budget and the deficit, the fact that we are borrowing on a high-interest credit card, individuals look at the \$166 billion that we put toward Iraq right now, with \$120 million a week in just interest, I think it is important that we really pay close attention to the abuses and come down hard on those individuals, very hard, in my opinion, that may carry out contracting that may not be in the light of our overall mission. I think in the final analysis it will hurt and diminish the light that we are trying to shed on the Department of Defense and on behalf of the branches.

I just want to say that, because I think it is important. Hopefully, the great people of South Florida will have me here for some time so that we can live through this process and continue to see the kind of funding that the branches are celebrating today, but at the same time being able to answer the tough questions when Newsweek and Time magazine highlight some of the issues that are going on now in-theater and out of theater as it relates to contracting.

So if you can address the recruiting issue, I think that is important. I think it deserves the kind of attention not only as it relates to what you are going to do with the dollars that you are going to receive in this budget, but how do you feel about us being prepared and able to carry out this effort against terrorism.

Secretary ENGLAND. First, about recruiting, when I became Secretary the first time around, we were recruiting between 55,000 and 60,000 people a year. Today, our recruiting needs are about 40,000 or 41,000, so we are recruiting significantly less, and that is by plan. That is because our retention is much higher.

So our people are staying in the military. They are proud to serve at a time when the country needs them, and thanks to the Congress, we are paying them better, with better benefits, and we provide them better equipment and better infrastructure, so they know they are appreciated. It shows up in the dollars being made available. They can do their business for the Nation every day and do it better. So morale is very high. Retention, as the CNO said in his opening statement, is at an all-time high. In recruiting, we meet our goals now and we have been meeting our goals quarterly, I believe, for the last four or five years, and the Marine Corps

much, much longer than that. So we do not have an issue of recruiting and retention. I will tell you our people are proud to be able to serve the Nation and do what the Nation expects them to go do.

We do not have what people refer to—I do not believe we have what you hear about, stress on the force. I do not believe that is an issue with our sailors or Marines. If you go to our reserve centers, the only complaint you hear is that they have not been called up. They want to serve. So I have not had anyone in all my travels, including all of our men and women onboard ship and in Afghanistan and Iraq—I have never had anyone say to me, you know, this is too hard; I do not want to be here. What I hear from our reserve centers here in the states is, why wasn't I called up; I am trained and ready to go.

So I believe that we are very healthy. As the CNO said, we are winning this war with our people, and that has been helped a lot by the Congress and, again, the funding that has gone into not just them and their families, but enabling them to do this business for the nation.

Mr. MEEK. Mr. Secretary, if I may, Mr. Chairman, I just want to make sure that as we start to look at what is about to happen in the near future, some of the issues as it relates. I had a great concern with the Army and soldiers in guerrilla warfare that I thought that would be the case, urban warfare, what have you, that would be the case and that is what this Iraqi effort would end up being.

I just want to make sure, sir, that we are looking at the long-run here. I believe the long run is going to bring about quite a few individuals that are going to either be injured or may die in combat, not to say that those that may not want to go and those that want to go. Believe me, I am a supporter. That is the reason why I asked to be on this committee, but I think it is important that we look at the long-run. I think individuals that are there in Iraq now will continue to be in Iraq.

All branches will continue to have some effort in Iraq, because I do not believe that we are going to finish anytime soon. Even though there has been this deadline and that deadline and another deadline, and we keep pushing it back, and we have had a pretty bloody week over there this week as it relates to even the plans that we had for a civilian force to be on the ground in Iraq among Iraqis, not a civilian force, but an Iraqi force, as you can see that the terrorists are trying to push that date back by targeted bombs toward Iraqis.

So I just appreciate—and I did read where the Commandant talked about the recruiting—but I just want to say that that is a concern. I think that since the proposal of an overall draft is not necessarily something that is grabbing gravity here, not saying that I am a supporter of that, to keep us at the numbers where we need to be, because if something else happens in the world, I do believe that we may be very well strained.

If we get that way, that will be unfortunate not only for the safety of those that would have to respond to that, but also to being able to make sure that we have Americans that are willing and

able to do what they need to do. I appreciate your response and just wanted to share some thoughts and feelings with you.

Secretary ENGLAND. Thank you very much, Mr. Meek.

Mr. MEEK. Thank you, sir.

Mr. CALVERT [presiding]. I thank the gentleman.

Thank you, Mr. Secretary, General, Admiral, for coming today. We are getting close to the end, so you will be able to go back to work here pretty soon.

First, I want to thank again our sailors and Marines for the great job they are doing. I have the privilege to represent both naval and Marine facilities in my congressional district in Southern California. As a matter of fact, we have some Marines leaving for Iraq out of March Air Reserve Base shortly. I hope to be there along with others to say good-bye to those Marines as they deploy to Iraq. So we are certainly very proud of them and the job that they are doing.

Certainly, as we get into this discussion about IEDs, in my congressional district, unfortunately we have lost several people, most of which to IEDs. Certainly, we are concerned about that. Mr. Secretary, in relation to that, as you well know we have a facility in my congressional district called Naval Sea Systems Command (NAVSEA), which is the Navy's only independent assessment agency. They do work on independent assessment. They are very joint. They work for and service other customers. Right now, for instance, they are helping National Aeronautics and Space Administration (NASA) fulfill Admiral Gehmen's safety recommendations for the Columbia accident, and making sure that they have that type of assessment.

I understand, Mr. Secretary, and I would hope that we can expand the appreciation for the Navy's almost six-decade experience with independent assessment. It goes back to World War II. I remember that John Wayne movie when the torpedoes didn't work. That was in Norco, California where they figured out what was the problem with those fuses, that we share that culture of independent assessment and work with the rest of DOD, especially Joint Forces Command and Admiral Cebrowski's office. When we were having this discussion about IEDs, they certainly should be involved in this to make sure that whatever the solution may be, whether it is a high-tech solution or a low-tech solution or a combination of attempting to get ahead of this problem, I think that they could be very helpful. I would like to have your comments about that, and certainly, Admiral, if you have any additional comments, I would appreciate that.

Secretary ENGLAND. I think I will just turn it over to the Admiral. NAVSEA is obviously a very important installation for us, Congressman. They have terrific capability. They are doing a terrific job for the Navy and, I know, for the Nation. So I am not sure I can add anything to your statement frankly.

CNO?

Admiral CLARK. I think your comments about the movie are something that all of us when we started out in this business looked at very carefully. It was one of the examples that is always used about how important it is for us to very, very rigorously attack the lessons learned at the end of any event. I am really grati-

fied, frankly, that you mentioned Joint Forces Command. I am gratified with the process that has been put in place. It is the best one I have seen. It is the most healthy and vigorous look that I have seen in the aftermath of a conflict.

My notes say that the organization that you are talking about, NAVSEA, a contract was recently awarded that resources were put in place in the 2004 budget that is allowing us to continue this kind of effort. It is examining the right kind of metrics and how you do shape the metrics for modern warfare. So I align with the Secretary. This kind of capability is vital if we are going to get better.

Mr. CALVERT. Thank you.

I have a question for the Commandant. You mentioned in prior testimony obviously the importance of our ranges and to protect those ranges and to make sure that they stay vital and open in the future. Camp Pendleton is also in my congressional district. We are proud to have it. Are you concerned about buffers on that range, or do you think you have adequate land there to protect that range at the present time?

General HAGEE. Thank you for that question, sir. That is actually one of the areas where we are looking at purchasing land just outside the fence line to provide that particular buffer zone there, sir.

Mr. CALVERT. Over there on the Orange County side?

General HAGEE. Yes, sir. That is correct.

Mr. CALVERT. Thank you. Thank you for answering those questions.

Mrs. Bordallo, you are recognized for five minutes.

Ms. BORDALLO. Thank you, Mr. Chairman. Believe it or not, I just came in from Guam, just a few minutes ago from National.

Secretary ENGLAND. Long trip.

Ms. BORDALLO. I would just like to welcome the Secretary and look forward to your visit. I understand you are going to Guam.

Secretary ENGLAND. Yes, I will.

Ms. BORDALLO. Yes, we are looking forward to that, Mr. Secretary.

Secretary ENGLAND. I am looking forward to being there. Thank you.

Mr. Chairman.

Mr. SCHROCK [presiding]. One of my colleagues said maybe someday you will sit in the chairman's chair, but I did not think it was going to be three-and-a-half hours from now. [Laughter.]

You came back from Guam today. That is quite a trip. Having been stationed there, I know how difficult that can be. When I was stationed in Guam, Ms. Bordallo was our first lady, so I have known her for a long, long time.

Thank you all for being here. I think the testimony we heard from you all and the questions we have heard you answer clearly indicate that you are at the cutting edge of everything that is absolutely right in transformation. I think the years ahead for the Navy and the Marine Corps are probably going to be some of the most exciting.

I was onboard the Joint Venture last Friday. Unbelievable. Those of you who have not been there need to go there. You need to see

that. We are going to try to bring it here to D.C. and get as many Members out as possible. I think if they see that kind of innovative technology, it is going to excite them to where we think our Navy and our Marine Corps is going.

So again thank you all very much for being here. We really appreciate your being here this long. I am sure we will see you again.

Thank you very much.

[Whereupon, at 12:20 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 12, 2004



PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 12, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

Department of the Navy FY 2005 Posture Hearing

February 12, 2004

This morning the committee will continue its review of the Fiscal Year 2005 defense budget request, with a look at the Department of the Navy. Because votes for today were canceled, our attendance today may not be that high, but I wanted to proceed with this hearing because the issues we're going to discuss are too important to wait.

Our witnesses today are:

Honorable Gordon R. England
Secretary of the Navy

Admiral Vernon E. Clark, USN
Chief of Naval Operations

General Michael W. Hagee, USMC
Commandant of the Marine Corps

Welcome to the Committee gentlemen. Mr. Secretary, we're particularly pleased to have you back heading up the Navy instead

of consorting with those Homeland Security folks. Their job is vital and they're great people, but no one will blame this Committee if we're a little selfish about wanting to see the best talent in the Department of Defense.

This year's defense budget requests \$119.2 billion for the Department of the Navy, \$3.9 billion more than the fiscal year 2004 peacetime budget. That's a good step in continuing on the path the President charted to restore the health of our military services after a decade of neglect in the 1990s. In particular, I'm glad this budget addresses some personnel issues that this committee has worked long and hard to get fixed, including the 3.5 percent pay raise and increases to basic housing and subsistence allowances so that our service people don't face any out-of-pocket expenses when moving into private housing.

I am also encouraged by significant increases for next generation systems, such as the DDX, the next generation aircraft carrier, and the Littoral Combat Ship. These all represent solid

investments in the people who are protecting us today and the hardware that they'll use tomorrow.

Gentlemen, as you know, this Committee has long had bipartisan concerns about the adequacy of our force structure. The Global War on Terror has only increased the demands on our forces and heightened some of those concerns. While no one should doubt the readiness, lethality, commitment, or ability of the United States military to defeat our enemies in war, we do have to look ahead. The war on terror will be long and I have my doubts that the stresses we're currently experiencing will be temporary.

The good news is that the Administration is looking ahead too. General Schoomaker has already developed a concept for increasing the number of Army brigades without increasing end strength. The Navy has done something similar with this Fleet Response Plan, which would give us six highly deployable aircraft carriers instead of the four we're accustomed to having already deployed.

We should commend the Department for coming up with creative approaches to address the increased demands that the global war on terror is making on our forces, but the jury is still out as to whether it has come up with the ultimate solution. I hope that today's hearing will help us begin to answer these questions as our senior Navy and Marine officials walk us through the Fiscal Year 2005 budget request.

Gentlemen, we all look forward to your testimony and appreciate your appearance before the committee.

Let me now recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

[Following Mr. Skelton's remarks]

The entirety of our witnesses' prepared statements will be entered into the record.

Mr. Secretary, the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO), Ranking
Member, Committee on Armed Services, U.S. House of
Representatives**

**Posture Hearing on FY 2005 Department of the Navy Budget Request
February 12, 2004**

**Thank you, Mr. Chairman. Secretary England, Admiral Clark,
General Hagee: thank you for being here. At the outset let me say
how proud we, and all Americans are, of the remarkable service our
sailors and Marines provide everyday. They have served with
distinction in operations in Afghanistan and Iraq and we know that we
are sending our Marines back for a second tour in Iraq. We are
grateful to them and to their families for their service.**

**Overall, I am pleased to see that the Department of the Navy
receives an increase in Fiscal Year 2005 funding, up \$3.9 billion over
2004. Our troops give their best and they deserve the best pay,
training, and equipment we can provide. I commend you all for trying
to do that within this budget.**

But I am troubled by the Department's decision not to budget for any of the costs of ongoing operations in Iraq and Afghanistan in this budget. These are established operations that will continue throughout the year and it is our responsibility to budget fully for the costs we can foresee. But what troubles me most is what happens if you have to wait for a supplemental until January or February of next year. We know from hard experience that if money must be shifted to fund current operations, it will come from our readiness accounts. None of us here wants you to have to decide between today's missions and the training and maintaining of tomorrow's force. I fear that this is precisely the choice you will be forced to make.

Looking at the specifics of the budget, while I am pleased with the total of 9 new ships under construction, overall ship force structure continues to drop to 290 this year. I am concerned that counting ships in research and development as part of the fleet may appear to increase our numbers without actually increasing combat

capability. This budget shows that it will be 2009 before our ship force structure really recovers and I worry that this recovery continues to be pushed later by more immediate demands.

Finally, related to ship levels is Navy end-strength. I recognize that the proposed reductions are in part due to ship decommissionings. I'd like to hear more about how quickly and in what manner these cuts will be implemented. The Marine Corps is not requesting any change to its end-strength, but it is currently over its authorized strength due to emergency authorities. With its upcoming deployment back to Iraq, it raises the question again for this committee of when the demands on the Corps—as for the Army—are no longer a temporary peak of activity, but a new plateau that demands additional forces.

Thank you all for your continued service and thank you, Mr. Chairman.

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COMMITTEE ON ARMED SERVICES

SUBCOMMITTEES
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CYBERSECURITY, SCIENCE, AND
RESEARCH & DEVELOPMENT
RULES**STATEMENT FOR HEARING OF THE ARMED SERVICES FULL COMMITTEE**
On the President's Budget proposal for Defense Programs in FY 2005

February 4, 2004

Mr. Chairman:

I thank you for yielding me time, and I thank our distinguished guests for joining us this afternoon.

Mr. Chairman, the review of the President's budget proposal, is one of the most important tasks this Committee has this year. The budget proposal sets the stage for the work will we do this session

While I think the President's proposal includes many worthwhile investments, I must say that I don't think that it reflects the security priorities of our nation. It falls short, both in terms of responding to immediate threats, and in terms of establishing a vision for this country's future security.

The defense budget, first and foremost, should address the threats to our national security that currently exist. There is no debate that threats do exist, that we live in a world where Americans – our citizens at home, and our troops abroad – are increasingly the target of terrorism. We see that now in Iraq and Afghanistan. We live in a world where our enemies are increasingly unconventional, where we must guard against biological and chemical attacks, where we must work to safeguard the supply of fissile materials so that they do not fall into the hands of these unconventional enemies. These are our immediate threats.

I am therefore surprised to see that the President's budget includes no funds for our troops in Iraq and Afghanistan. The Administration's rationale for not including funding for Iraq and Afghanistan is that these costs are difficult to project. So instead of projecting the costs, they put in a zero. We have now been in Afghanistan for over two years, and in Iraq for almost a year. We should be able to make an educated guess.

And instead of projecting a rosy picture, for the sake of argument and good sense, we make a worst-case scenario projection. Let's say that we aren't able to draw down troops in Afghanistan and Iraq. Let's say that the transition in Iraq doesn't go well, that the

interim government is not welcomed with open arms, that our allies are unwilling to help the U.S. pick up the tab for continued operations and occupation. How much would it cost to continue our current policy in Iraq? We have heard that the President will submit a Supplemental request for \$30-50 billion for operations in Iraq and Afghanistan. Why isn't that funding included in this budget proposal?

The defense budget, as I said, should address immediate threats. One of these immediate threats is the proliferation of nuclear, biological and chemical materials. We have, I believe, more to fear from a dirty bomb, or a terrorist release of biological or chemical agents than an errant missile from across the ocean. I am therefore surprised too, that the President has decided to cut funding for these important non-proliferation programs, programs like Nunn-Lugar which help decrease the threat of loose nukes falling into the hands of our enemies, conventional or otherwise.

Instead, the President is choosing to increase funding for the Ballistic Missile System to \$10.6 billion. This is a system which has only proved effective in one out of five tests, and these were tests where the system knew where the missile was coming from, and when it was launched. We certainly won't have one out of five chances to shoot down an incoming missile from our enemies. While I believe that a missile defense system may have value, and have consistently supported Research and Development in that field, I am far from convinced that the current Ballistic Missile program is close to operational, and ready for investments in testing at the level the President has indicated.

The Secretary of Defense and his colleagues claim that the Missile Defense investments are "transformational"; \$9 billion of \$26 billion for the so-called "transformation of the military" is set aside for Missile Defense in the President's budget. While I support the effort to transform the military into an effective security agency for the 21st century, I tend to see Ballistic Military Defense as reactionary rather than transformational – it is technology designed to fight the last war, to fight the Cold War. We need a military that is transformed to face the threats of the future – terrorism, non-conventional weapons, asymmetric threats.

I regret that the President has not taken advantage of this opportunity to demonstrate how he will face these immediate threats, and the threats of the future. I look forward to working with my colleagues on this Committee to create a national security agenda which will reflect reality, and provide real security for America and Americans now and in the future.

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES
COMMITTEE

STATEMENT OF
HONORABLE GORDON R. ENGLAND
SECRETARY OF THE NAVY
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
12 FEBRUARY 2004

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Value to our Nation - The Navy/Marine Corps Team

I. Introduction

During my last appearance before this Committee in February 2002 and as reported in that statement, the Navy and Marine Corps contributions in the "War Against Terrorism" have been significant and important in the overall success of U.S. military forces. This continues to hold true today. Our Navy and Marine Corps Team projects decisive, persistent, joint power across the globe, in continuing to prosecute the war on terrorism.

Projecting power and influence from the sea is the enduring and unique contribution of the Navy and Marine Corps to national security. Operation IRAQI FREEDOM (OIF) demonstrated the strategic agility and operational flexibility that forward deployed Naval expeditionary forces provide. This committee's support has been vital for the Navy and Marine Corps Team to exploit the access afforded by the seas and to respond to the full spectrum of contingencies. Congressional support has led to increased readiness which was proven in OIF, where dispersed military forces, networked together, fought as a single, highly coordinated joint team.

Naval warfare will continue its progression to operate in a joint environment in responding to new threats and to the increased asymmetric capabilities of our enemies. We will be bold and continue to develop new capabilities and concepts, and fund them in quantities that are relevant to tomorrow's emerging threats. We have embraced transformation. We are addressing the challenge to operationalize our vision, Naval Power 21, with technological, organizational, and doctrinal transformation.

The following statement highlights key elements of the FY 2005 President's Budget applicable to the Department of the Navy within the Balanced Scorecard approach of managing Operational, Institutional, Force Management and Future Challenges Risks.

II. FY 2005 Budget Priorities - *Underway with Naval Power 21.*

The FY 2005 Department of the Navy Budget fulfills our essential warfighting requirements. We are resourced to fight and win our Nation's wars and our number one priority, the war against terrorism, is reflected across each allocation. Additionally, we continue to invest in future technologies and capabilities that are part of a broader joint warfighting perspective. The Navy and Marine Corps are continuously working with other Services to draw on the capabilities of each Service, to eliminate redundancy in acquisition, and create higher levels of military effectiveness. A prime example is our agreement with the Department of the Air Force to merge our two Joint Tactical Radio System (JTRS) programs into a single program that will produce a common family of radios for use aboard our ships, submarines, and aircraft. The following summarizes the FY 2005 Budget request priorities for the Department of the Navy: Personnel Salary and Benefits. Smart, motivated and capable people are a key element to any successful transformation effort. Our Navy and Marine Corps are increasingly a technologically advanced maritime force and we are in competition with the private sector to attract and retain the best men and women we can find. Accordingly, our budget includes a 3.5 per cent basic pay raise for all military personnel. Additionally, housing allowances have been increased to buy down out-of-pocket housing expenses for our military personnel. Concurrent with this commitment to provide an appropriate level of pay and benefits to our Sailors, Marines, and their families is a responsibility to operate this Department as efficiently and effectively as possible.

While we want the best people we can get to serve in the Navy and Marine Corps, we don't want a single person more than we need to properly operate the force. Job satisfaction comes not only just from compensation, but also from meaningful service – we owe it to our people to ensure that they are given duties and equipment appropriate to a volunteer force.

Operations and Maintenance. The operations and maintenance accounts are funded with over a \$2 billion increase. The present environment requires Naval forces to be both forward deployed and capable of surging when called. This account will help develop the transformational Fleet Response Plan (FRP). This is the means to institutionalize the capability to maintain a more responsive force that is ready to surge, more efficient to maintain, and able to reconstitute rapidly.

Shipbuilding Account. The Department's shipbuilding plan supports our transformational vision and increases the number of new construction ships from seven in FY 2004 to nine in FY 2005 plus one SSBN Engineered Refueling Overhaul (ERO). Initial LCS and DD(X) platforms are funded from the RDT&E account. Additionally, the Navy's FY 2005 spending plan completes the purchases of the last three DDG-51 Class ships for a total of 62 ships.

Aviation Account. The Department's FY 2005 Budget request is structured to maintain the continued aviation superiority of the Navy and Marine Corps. The Naval aircraft procurement plan emphasizes replacing costly stand-alone legacy platforms with more efficient and capable integrated systems. The number of aircraft requested increases from 99 in FY 2004 to 104 in FY 2005 which includes five VXX helicopters. The budget continues to maximize the return on procurement dollars, primarily through the use of multi-year procurement (MYP) for the F/A-18E/F, the E-2C, the MH-60S and the KC-130J programs. Development funding is provided for Joint Strike Fighter (JSF), MV-22, AH-1Z/UH-1Y, CH-53X, EA-18G and the Multi-mission Maritime Aircraft (MMA). The budget reflects an amended acquisition strategy for the V-22 to fund interoperability issues and cost reduction initiatives.

Munitions Account. During OEF and OIF, the Department expended less precision ordnance than projected. In this environment, the precision munitions purchases for FY 2005 have been decreased for JDAMs and LGBs. This decrease in procurement provides no increased risk to the DoN but merely reflects the lower utilization rates of expended ordnance.

RDT&E Account. An increase of \$1.4 billion reflects our commitment to future transformational capabilities and technology insertion for major platforms including DD(X), LCS, CVN-21, V-22, Joint Strike Fighter (JSF), Advanced Hawkeye (AHE), and MMA. As demonstrated in recent operations, our Naval forces have been able to project overwhelming combat power because they are technologically superior. We continue to sustain a robust RDT&E effort as we transform the Navy and Marine Corps to the next generation of combat systems.

Effectiveness and Efficiency. A guiding principle in all we do is improving effectiveness to gain efficiency. The very best organizations are the most efficient organizations. If you are very efficient, you incorporate technology more quickly, you can develop new systems and capabilities, and you can bring them on line faster. Underlying all of the previous accounts and our execution of them is a continuing and concerted focus to achieve the most efficient organization. The Fleet Response Plan, TacAir Integration, and establishment of the Commander Naval Installations are a few of our initiatives to improve effectiveness within the Department.

Our objective for the FY 2005 Budget request is to move forward with Naval Power 21. This budget builds upon the foundation laid in the FY 2004 program and reaffirms our

commitment to remain globally engaged today while developing future technology to ensure our future military superiority. We are also continuing to emphasize the Department's commitment in the areas of combat capability, people, technology insertion and improved business practices. With our FY 2005 Budget request we are committed to executing this vision.

III. CY 2003 Operational Successes (*A Nation at war*)

The extraordinary capability of our joint forces to project power around the world in support of vital national objectives was demonstrated over the last year. The maritime contribution to our success in the defeat of Saddam Hussein's Baathist forces, as well as in support of other joint engagements in the Global War on Terrorism, was significant. The rapid deployment and the warfighting capability of your Naval force in the liberation of Iraq provided an example of the importance of readiness and the responsive capabilities to support our Nation's objectives in an era of unpredictability and uncertainty. The demonstrated importance of our multi-dimensional Naval dominance, our expeditionary nature, our ability to deal with complex challenges, and adaptability of our forces are illustrative of the high level of return on investment of your Naval force.

The accomplishments of this past year tell the Naval forces readiness story and its return on investment. The ships, aircraft, weapon systems, and readiness you funded provided our Sailors and Marines the tools necessary to remain the premiere maritime and expeditionary combat ready force. In preparing for and conducting operations in the Iraq Theater, speed of expeditionary operations and sustainment were important military competencies. Naval forces applied dominant, persistent, decisive and lethal offensive power in support of coalition warfighting objectives. The speed, agility, flexibility and persistence of Naval combat capability helped end a regime of terror and liberate a people during OIF.

The past year has been one of significant accomplishment. Our men and women operating in the air, on and under the sea, and on the ground are at the leading edge in the Global War on Terrorism. As in OEF, we once again have demonstrated Naval forces' unique value in contributing to the security of our Nation and our friends and allies.

- During OIF, more than 50 percent of our force was forward deployed. The deployment of seven Carrier Strike Groups (CSGs) and eight large deck amphibious ships proved our ability to be both a surge and a rotational force demonstrating our flexibility and responsiveness.
- Navy and Marine Corps aircraft flew more than 8000 sorties and delivered nearly 9000 precision-guided munitions.
- Over 800 Tomahawk cruise missiles were fired from 35 coalition ships, one-third of which were launched from submarines. The highest number of TLAM's launched in one day occurred on March 21, 2003 – nearly 400 Tomahawks.
- Navy Special Forces, MCM, EOD and coalition counterparts cleared more than 900 square miles of water, ensuring the safe passage of critical humanitarian relief supplies to the Iraqi people.
- Marines from the I Marine Expeditionary Force (I MEF), supported by Sea Basing concepts, made one of the swiftest combat advances in history. They fought 10 major engagements, destroying nine Iraqi divisions in the 450 mile advance into Iraq.

- Eleven Maritime Prepositioned Force (MPF) ships provided equipment and sustainment for over 34,000 Marines and Sailors and fourteen amphibious ships embarked and delivered another 12,000 Marines and Sailors and their equipment.

Since the end of major combat operations, Naval forces have been instrumental in supporting the coalition's goals of security, prosperity and democracy in Iraq. Coalition maritime forces have diligently supported the United Nations Security Council Resolution 1483. They have queried over 5,000 vessels, boarded close to 3,000 and diverted approximately 430. These forces have confiscated and returned to the Iraqi people approximately 60,000 barrels of fuel. Additionally, seaward protection of the Al Basara Oil Terminal (ABOT) is enabling the generation of critically needed oil revenue. Since re-opening, the ABOT has pumped 146,700,000 barrels of oil valued at over \$5 billion.

Navy Seabees and Marine Engineers, as the I MEF Engineer Group, undertook construction initiatives that built and repaired major roadways and bridges, and completed major utility restoration projects. In all, 150 projects valued at \$7.1 million were completed.

Naval Explosive Ordnance Disposal (EOD) forces are working with Army counterparts in support of the coalition forces and Iraqi Police and are collecting over 2,000 pounds of unexploded ordnance per week.

IV. Navy and Marine Corps Today (*Current Readiness*)

Today's Naval forces exist to control the seas, assure access, and project power beyond the sea to influence events and advance American interests. Navy and Marine Corps forces continue to lead the way to secure the peace by responding with speed, agility, and flexibility. The value of Naval forces continues to be demonstrated through the projection of decisive, persistent, joint power across the globe. The investment in training, maintenance, parts, ordnance, flying hours, steaming days, and combat ready days coupled with our forward presence and our ability to surge has positioned Naval forces as the most effective and efficient military force.

Congress' investment in readiness over the past several years has paid large dividends for Naval forces during OIF. With combat forces operating in two fronts in the GWOT our readiness investments have resulted in enhanced Naval forces ready to strike on a moment's notice, anywhere, anytime. Our success in deploying nine out of 12 aircraft carriers and ten out of 12 big deck amphibious ships to major combat areas of operation in demanding environments is attributable to the continued improvements in current readiness.

The Department is in the process of re-deploying Navy and Marine forces in preparation for Operation IRAQI FREEDOM II. Navy and Marine Forces will deploy in two seven-month rotations with the first beginning in March. This initial ground rotation will include about 25,000 Marines, 3,500 Marine Reservists, over 5000 active duty Navy and 800 Naval Reservists.

Since the return of our forces from OIF we have invested heavily in constituting the Navy and Marine Corps Team for the next fight. Continued successful programmed investment will ensure we have the most capable forces to face the unique challenges ahead. The FY 2005 Budget continues a broad range of modernization and readiness initiatives for Naval forces.

Acquisition Programs

The Fleet and Marine forces continue to take delivery of the most sophisticated weapon systems in the world. In 2003, the Navy launched the first of two new classes of ships, USS

VIRGINIA (SSN 774) and USS SAN ANTONIO (LPD 17), commissioned the aircraft carrier USS RONALD REAGAN (CVN 76), and continued timely delivery of the ARLEIGH BURKE Class guided missile destroyers and F/A-18 E/F Super Hornets.

We are continuing to build on previous budgets to ensure we equip and train our forces to help us continue to meet the challenges of the future. What the DoN budget will buy to advance our vision in Naval Power 21:

Shipbuilding. The FY 2005 to FY 2009 shipbuilding rate of 9.6 battle force ships per year is up from 8.4 battle force ships per year for the same period in FY 2004. The FY 2005 Budget request closes the procurement gap and with the exception of a slight reduction in FY 2006, provides an upward trend through the FYDP, procuring 17 battle force ships by FY 2009. The FY 2005 to FY 2009 investment is an average of \$13B per year in new construction. The FY 2005 to FY 2009 plan also procures three Maritime Pre-positioned Force (Future) (MPF (F)) ships and a MPF(F) aviation variant. While our build rate drops to six in FY 2006, this is a reflection of a shift to the next generation surface combatants and sea basing capabilities.

The Navy has nine new ships and one SSBN refueling requested in the FY 2005 budget, as well as substantial shipyard/conversion work. This investment includes:

- 3 DDG's (\$3.4B)
- 1 VIRGINIA Class submarine SSN-774 (\$2.5B)
- 1 LPD-17 (\$967M)
- 2 T-AKE (\$768M)
- 1 DD (X) (\$221M) (RDT&E funded)
- 1 Littoral Combat Ship (LCS) (\$108M) (RDT&E funded)
- 1 SSBN conversion/refueling (\$334M)

FY 2005 marks the final year of DDG 51 procurement, bringing to closure a 10-ship FY 2002 to FY 2005 MYP contract awarded in FY 2002. The Navy will move to the DD(X) and LCS hulls as quickly as possible. In addition to vitally needed new capability, these ships will increase future shipbuilding rates. Investment in these platforms will also help maintain critical industrial bases.

The Department is modernizing its existing submarine with the latest technology while, at the same time, continuing to replace aging fast attack submarines with the new VIRGINIA Class submarine. The VIRGINIA Class design is complete and the lead ship (SSN 774), will commission on schedule. FY 2004 funded the first of five VIRGINIA Class submarines under a MYP contract. The second submarine of the MYP contract is funded in FY 2005. Consistent with Congressional approval of five year-five ship MYP authority (FY 2004 to FY 2008) for SSN 774, the Navy is maintaining one submarine per year through FY 2008.

The DoN accelerated one LPD from FY 2006 to FY 2005 leveraging FY 2004 advanced procurement resources provided by Congress. The lead ship detail design has been completed and lead ship construction is over 80 percent complete with a successful launch in July 2003. Production effort is focused on a November delivery. The LPD 17 Class ship represents our commitment to a modernized expeditionary fleet.

The FY 2005 Budget request also provides for procurement of two auxiliary cargo and ammunition ships (T-AKEs) in the National Defense Sealift Fund. These will be the seventh and eighth ships of the class. Lastly, the FY 2005 Budget request accelerates the lead MPF(F) from FY 2008 to FY 2007 to reflect an emphasis on sea basing capabilities.

DD(X) is a centerpiece to the transformational 21st Century Navy and will play a key role in the Naval Power 21 strategic concept. This advanced warship will provide credible forward Naval presence while operating independently or as an integral part of Naval expeditionary forces. The DD(X) lead ship design and initial construction contract will be awarded in FY 2005.

Conversion and Modernization. The FY 2005 Budget request proposes advanced procurement funds for the USS CARL VINSON (CVN 70) Refueling Complex Overhaul (RCOH), now scheduled to begin in FY 2006. CVN 70 has sufficient reactor fuel for one additional surge deployment.

Funding for the TICONDEROGA Class cruiser modernization effort began in FY 2004 and continues in FY 2005. The cruiser modernization effort will substantially increase the service life and capability of CG 47 Class ships. The conversion will reduce combat system and computer maintenance costs, replace obsolete combat systems, and extend mission relevance service life. FY 2005 will fund advanced procurement items for the first cruiser modernization availability in FY 2006.

Funding is included in FY 2005 to complete the conversion of the third and the overhaul of the fourth hull of four OHIO Class SSBNs to SSGNs. The SSGN conversion provides a covert conventional strike platform capable of carrying up to 154 Tomahawk missiles. The FY 2006 Budget request will complete the conversion of the last SSGN. All four of these transformed platforms will be operational by CY 2007.

Aircraft Production. Consistent with the FY 2004 program, the FY 2005 Budget request reflects continued emphasis on re-capitalizing our aging aircraft. Our focused efforts to aggressively "shore up" operational readiness by providing requisite funding for our Flying Hour Program, Ship Depot Maintenance, Ship Operations, and Sustainment, Re-capitalization and Modernization accounts continue. While we continue to make substantial investments in readiness accounts and working capital accounts, we identified the resources to procure 104 aircraft in FY 2005. The Department's aircraft procurement plan emphasizes replacing costly legacy platforms with more efficient and capable integrated systems. This has resulted in significant investments in transformational aircraft and program investments across the spectrum of aviation capabilities. Such valuable investments in more capable aircraft have allowed a reduction of 40 aircraft from FY 2005 to FY 2009.

During the past year, we continued to enjoy the fruits of our aviation investments with the successful first deployment and operational employment of the F/A-18 E/F Super Hornet in support of OIF. Highly praised for tactical capability and platform reliability, the F/A-18 E/F program has been funded to provide a transformational radar, helmet mounted sight, advanced targeting pod and integrated weapons system improvements. Additionally, we recently awarded a second MYP contract that includes the EA-18G airframe to replace the Navy's aging EA-6B beginning in FY 2009.

All helicopter missions continue to be consolidated into the MH-60R and MH-60S airframes. These helicopter platforms are the cornerstone of Navy helicopter concept of operations designed to support the CSG and ESG in various mission areas.

The Department significantly increases the funding requested for MMA. MMA will provide the Navy with strategic blue water and littoral capability by re-capitalizing the P-3

Maritime Patrol Aircraft broad area anti-submarine, anti-surface, maritime and littoral Intelligence, Surveillance and Reconnaissance (ISR) capability.

Progress continues towards delivering a high-quality aircraft to the Marines and Special Forces including increasing capability and interoperability of the aircraft, investing to reduce production costs, and maximizing production efficiency. Since the resumption of V-22 flight-testing, in May 2002, the V-22 is satisfying the threshold levels for all its key performance parameters and reliability and maintainability measures. V-22 test pilots have recorded more than 1,100 flight hours since that time. The V-22 program will continue Low Rate Initial Production (LRIP) until the Milestone III decision expected late CY 2005.

The Department will continue to procure the AH-1Z/UH-1Y. These aircraft meet the Marine Corps' attack and utility helicopter requirements by providing increased aircraft agility, airspeed, range, and mission payload. They provide numerous capability improvements for the Marine Corps, including increased payload, range and time on station, improved sensors and lethality, and 85 percent component commonality. The KC-130J MYP is funded and supported in this budget. The advantages include an all digital cockpit that reduce aircrew manning requirements, a new propulsion system that provides more cargo capability, and increased fuel delivery.

Mine Warfare Programs. In keeping with the Department's goal to achieve an organic mine warfare capability in 2005, the budget request supports the development and procurement of five organic airborne systems integrated into the MH-60S helicopter: the AQS-20A Mine-hunting System, the Airborne Laser Mine Detection System (ALMDS), the Airborne Mine Neutralization System (AMNS), the Rapid Airborne Mine Clearance System (RAMICS), and the Organic Airborne and Surface Influence Sweep (OASIS) system. The FY 2005 Budget request also supports the development and procurement of the Remote Minehunting System (RMS) integrated into DDG-51 hulls 91-96, and the Long-term Mine Reconnaissance System (LMRS) integrated into SSN-688. The ALMDS, AQS-20A, and RMS will reach an initial operating capability in FY 2005. The budget request supports the transition of assault breaching technologies into acquisition, which will provide a capability to detect, avoid, and defeat mines and obstacles in the surf and craft landing zones. In FY 2005, we will continue with our Surface Mine Countermeasures (MCM) mid-life upgrade plan. We have initiated a product improvement program for the engines of the MCM-1 AVENGER Class mine countermeasure ships to enhance their reliability and availability. We are upgrading our minesweeping capability with new acoustic generators and magnetic sweep cables, and have programmed resources to replace our maintenance-intensive mine neutralization system (AN/SLQ-48) with an expendable mine neutralization system.

Munitions. The Standard Missile (SM) program replaces ineffective, obsolete inventories with the procurement of more capable SM-2 Block IIIB missiles. The Rolling Airframe Missile (RAM) program continues procurement of the improved guided missile launching system and the upgraded Block I missile, providing an enhanced guidance capability along with a helicopter, air and surface mode. In addition to SM and RAM, the FY 2005 Budget request provides funding to continue production of the Evolved Sea Sparrow Missile (ESSM) and will support the first Full Rate Production (FRP) contract award of 82 U.S. and 288 international missiles. We have committed to replenish our precision munitions inventories and to do so, we will utilize a five- year MYP to maximize the quantity of Tomahawk missiles procured.

Marine Corps Expeditionary Capability. The Expeditionary Fighting Vehicle (EFV), formerly the Advanced Amphibious Assault Vehicle (AAAV), will provide surface assault elements the requisite operational and tactical mobility to exploit opportunities in support of joint operations. The EFV will be capable of carrying a reinforced Marine rifle squad at speeds in excess of 20 nautical miles per hour from over the horizon in sea state three. Once ashore, the EFV will provide Marine maneuver units with a world-class armored personnel carrier designed to meet the threats of the future. Production representative vehicle procurement occurred in FY 2003 and will deliver in FY 2005. IOC will be released in FY 2008 and FOC in 2018.

Also critical to Marine Corps transformation efforts is the Joint Lightweight 155mm Howitzer (LW-155). This system will enter FRP in FY 2005, and our budget includes a request for a Joint Marine Corps - Army MYP. Another transformational component of the FY 2005 Budget, the High Mobility Artillery Rocket System (HIMARS), will continue LRIP delivery.

Alignment

The DoN is transforming to dramatically reduce operating and support costs. Changes will embrace efficiency and result in increased effectiveness and a higher readiness standard in concert with the overarching goals of the President's Management Agenda. We have made several fleet and shore organizational changes that have shown great potential in maximizing the way forces can be employed and supported.

Fleet Response Plan (FRP). FRP provides a model for a new joint presence concept that will transform how the U.S. military is employed. It refines maintenance, training, and readiness processes in order to increase the number of combat ready ships and aircraft throughout the Fleet. FRP ensures six employable Carrier Strike Groups (CSGs) always are ready to respond to a crisis, plus two additional CSGs capable of deploying to the fight within 90 days of notification ("6+2"). With the implementation of FRP, half of the Fleet either could be deployed or postured to surge, able to arrive swiftly with the overpowering combat power needed either to deter or defeat the hostile intentions of an adversary, or to win decisively in combat against a significant enemy.

TacAir Integration. The Navy and Marine Corps Team embarked on a Tactical Aircraft Integration plan that will enhance our core combat capabilities and provide a more potent, cohesive, and affordable fighting force. The culmination of a long-term effort to an increased level of readiness from the resources given to us, TacAir integration seeks to generate a greater combat capability from Naval TacAir. Through TacAir integration, the Department will reduce the number of tactical aircraft (JSF and F/A-18) from 1,637 to 1,140 aircraft by 2021. This integration will provide increased combat capability forward and is in concert with enhanced sea basing concepts. A cornerstone of this plan is the global sourcing of the Department's TacAir assets and the funding and maintenance of legacy aircraft at the highest level of readiness until they are replaced by the JSF and the Super Hornet (F/A-18 E/F).

Training Resource Strategy (TRS). TRS was developed to provide high quality training to our deploying combat forces. The training of our high technology force in modern warfare has shifted to a network of existing ranges and installations stateside. Fully implemented, TRS has resulted in more training options, reduced pre-deployment training transit time, and has increased

productive training days. The USS ENTERPRISE was the first CSG to deploy under the TRS, utilizing six training ranges, each unique to the successful completion of her qualification. TRS supports the FRP and will quickly respond to surge requirements by delivering and bringing to bear a capable fighting force.

Current and future readiness requirements underscore the continued need for realistic training and maximized use of training and testing ranges. While we continue to find ways to enhance readiness through increased use of information technology and simulation, live training on actual ranges and training areas remains critical during the essential phases of the training cycle. Maintaining training realism and access to these ranges has been of keen concern to our Naval forces. We continue to balance the need to maintain a ready and capable force with the need to be sensitive to environmental and encroachment issues.

For the last two years, Congress has addressed critical Navy needs regarding encroachment. Readiness-specific changes to the Marine Mammal Protection Act (MMPA), Endangered Species Act, and Migratory Bird Treaty Act will help the Navy meet training and operational needs. The Navy and Marine Corps has and will continue to demonstrate leadership in both its military readiness role and as an environmental steward of the oceans we sail and the lands we train upon. We are pursuing opportunities for acquiring land buffers adjacent to our training lands. We are implementing the Integrated Natural Resources Management Plans prepared under the Sikes Act to address endangered species concerns in lieu of designating critical habitats. We will continue operational actions to minimize harm to marine mammals, as we continue investments in research into marine mammal biology and behaviors. The Marine Mammal Protection Act is due for reauthorization in this legislative cycle. To maintain our military readiness, your support is necessary to retain the proper balance between environmental protection and military readiness during the reauthorization debate.

Carrier Strike Group (CSG) / Expeditionary Strike Group (ESG). CSG alignment is complete and the first Expeditionary Strike Group (ESG-1), centered on the USS PELELIU Amphibious Ready Group and the embarked Marines of the 13th Marine Expeditionary Unit (Special Operations Capable), departed on an eight-month deployment this past August. The Navy is deploying an Atlantic Fleet ESG, USS WASP Amphibious Ready Group, this year.

The ESG adds to the ARG/MEU, a robust strike, anti-air, anti-surface, and anti-subsurface capability of a cruiser, destroyer, frigate and attack submarine and for the first time, the Advanced Swimmer Delivery System (ASDS). These combined capabilities give the Combatant Commander a wider variety of options and enables independent operations in more dynamic environments.

Vieques/NSRR closure. The former training ranges on Vieques have been closed and the property has been transferred to the Department of the Interior (DOI), Fish and Wildlife Service. We have active clean-up and range clearance programs underway at disposal sites on both East and West parcels. We are working with the appropriate agencies to negotiate a Federal Facilities Agreement governing clean-up activities. We are refining costs to complete clean-up estimates for range areas and resolve litigation issues filed by the residents of Vieques. We will close Naval Station Roosevelt Roads by 31 March, as directed by the FY 2004 Defense Appropriations Act. Naval Activity Puerto Rico will serve as the caretaker organization following operational closure. Puerto Rico has established a Local Redevelopment Authority, and we will proceed quickly to property disposal.

Commander Navy Installations Command (CNI). We have aligned all Navy shore installations under a single command that will allow us to make better decisions about where to invest limited funds. By consolidating all base operations worldwide and implementing common support practices the Navy expects to save a substantial amount of money over the next six years.

Communications

FORCENet will provide the overarching framework and standard communication mechanism for future combat systems. Navy Open Architecture, in conjunction with the FORCENet standards, will provide a common open architecture for warfare systems aboard surface, subsurface and selected airborne platforms such as the E-2C Advanced Hawkeye. A critical subset application already being procured is the Cooperative Engagement Capability (CEC), which will be installed on 38 ships and 4 squadrons (16 aircraft) by FY 2006. CEC includes robust data communication capability among cooperating units in support of sensor netting. In the future, CEC will also include a Joint Track Manager to create a single integrated air picture of sufficient quality to support fire control application for each combat control system.

Navy Marine Corps Internet (NMCI) is operational and providing commercial IT services for more than 300,000 DoN employees and two Combatant Commanders. To date, we have ordered 330,000 of the expected 345,000 FY 2004 seats. Implementing NMCI has enabled us to increase the security posture of our networks and has given unprecedented visibility into IT costs. As we roll out NMCI we are doing away with the over 1,000 separate networks that the Navy used to run. We have reduced the number of legacy applications in the Navy's inventory from 67,000 to about 31,000 and begun further efforts to reduce this number to around 7,000 – an almost 90 percent reduction. As we proceed with NMCI, we anticipate other opportunities for progress in areas such as enterprise hosting, software release management, IT resource analysis and technology insertion.

We have designed the NMCI Operational Evaluation to provide critical information necessary to determine how well NMCI is supporting mission of the user and to judge how well service level agreement metrics measure the service. As part of the spiral development process, NMCI worked with the testing community to segment the testing effort into a local evaluation of Network Services and a higher-level assessment of other Enterprise Services. Testing was completed 15 December 2003; the Final Report is due in April.

V. Navy and Marine Corps in Transformation (*Future Readiness*)

The Chief of Naval Operations and Commandant of the Marine Corps consider the culture of transformation integral to the development of future combat capabilities. Innovative capabilities will result in profound increases in military power, maintaining the Navy and Marine Corps Team as the preeminent global Naval power. We are now at the point of delivering on many of our transformational goals.

We have embraced a vision in how Naval forces will contribute to joint warfighting in the future. This vision can only be implemented with the support of Congress. This section describes the principal components of Naval Vision 21.

Acquisition Programs

The FY 2005 Budget request supports continued funding for accelerated development of several critical technologies into the CVN 21 lead ship. This transformational 21st Century ship,

the future centerpiece of the Navy Carrier Strike Group, will bring many significant changes to the Fleet. These changes include a new electrical power generation and distribution system, the electro-magnetic aircraft launching system, a new enlarged flight deck, weapons and material handling improvements, and a crew reduction of at least 800. Construction of the CVN 21 remains on track to start in FY 2007.

Critical components of Sea Power 21 are the DD(X) and LCS. These ships, designed from the keel up to be part of a netted force, are the centerpieces of the 21st Century surface combatant family of ships. DD(X) will be a multi-mission combatant tailored for land attack. LCS is envisioned to be a fast, agile, relatively small and affordable combatant capable of operating against anti-access, asymmetric threats in the littorals. The FYDP includes \$2.76 billion to develop and procure modular mission packages to support three primary missions of mine countermeasures, anti-submarine warfare, and anti-terrorism and force protection. Detail design and construction of the first LCS is planned to begin in FY 2005.

The V-22 Osprey, a joint acquisition program, remains a top aviation acquisition priority. The V-22's increased capabilities of range, speed, payload and survivability will generate truly transformational tactical and operational opportunities. With the Osprey, Naval forces operating from the sea base will be able to take the best of long-range maneuver and strategic agility, and join it with the best of the sustainable forcible-entry capability. LRIP will continue until the Milestone III decision is made late CY 2005. We expect to move from LRIP to FRP in CY 2006.

Another important joint program with the Air Force, the JSF has just completed the 2nd year of a 10-11 year development program. The program is working to translate concept designs to produce three variants. This is a complex process requiring more initial development than we predicted. JSF development is experiencing typical challenges that affect System Development and Demonstration (SDD) program schedule and cost. LRIP was deferred and research and development increased to cover SDD challenges. The current issues are solvable within the normal process of design fluctuation, and have taken prudent steps necessary to meet these challenges.

The plan to re-capitalize the P-3 Maritime Patrol Aircraft with the MMA was further refined this past year in collaboration with the Broad Area Maritime Surveillance-Unmanned Aerial Vehicle or BAMS-UAV program. With a MMA IOC of FY 2013, we also developed a robust sustainment plan for the current P-3 that includes special structural inspections and kits that extend the platform service life by a minimum of 5,000 hours. Additionally, the Department has decided to join the Army's Aerial Common Sensor (ACS) program as the replacement platform for the aging EP-3.

In order to maintain Electronic Warfare (EW) superiority, the Department is pursuing both upgrades in current Airborne Electronic Attack (AEA) capability as well as a follow-on AEA aircraft to replace the aging EA-6B. The Navy has selected the EA-18G as its follow-on AEA aircraft and will begin to replace Navy EA-6Bs in FY 2009.

Continuing an emphasis on transformational systems, the Department has budgeted R&D funding through the FYDP for several aviation programs. The Advanced Hawkeye (previously known as E-2 Radar Modernization Program (RMP)) is funded through the FYDP with the first production aircraft in FY 2009. A fully automated digital engine control and improved generators have been incorporated into the aircraft to improve performance and reliability. Additionally, the Department has included funding to support procurement of required

capabilities in the Fleet, such as Advanced Targeting Forward Looking Infra-Red and the Joint Helmet Mounted Cueing Systems.

The FY 2005 Budget continues to demonstrate the Department's commitment to developing, acquiring and fielding transformational UAV technologies for Intelligence, Surveillance and Reconnaissance and tactical missions. The budget includes funding for a second Joint Unmanned Combat Air System (J-UCAS) demonstrator and continues development of the BAMS. The Navy's Unmanned Combat Air Vehicle (UCAV-N) is incorporated into J-UCAS under a DoD joint program office.

Helicopters. The FY2005 Budget request includes an incremental approach to developing a replacement for the current aging Presidential helicopter. The Presidential Helicopter Replacement Aircraft (VXX) will enhance performance, survivability, communications, navigation and executive accommodations inherent in the existing fleet of Presidential airlift helicopters.

Ballistic Missile Defense. The fielding of a National Ballistic Missile Defense capability is critical to protecting the U.S. homeland against the evolving ballistic missile threat. As part of the President's Directive to accelerate the fielding of a BMD Initial Defensive Operations capability by September 2004, the Navy will deploy, on a continuous basis, a DDG to serve as a Long-Range Surveillance and Tracking (LRS&T) platform. Additionally, Aegis Ballistic Missile Defense (ABMD) continues its development and testing of the SM-3 missile in order to support deployment of a sea-based mid-course engagement capability by December 2005. Since November 2002, ABMD had two of three successful intercepts with the SM-3 Block 0 missile. The Navy is also evaluating the benefits associated with developing a Sea-based Terminal Missile Defense capability. A viable regional and terminal sea based ballistic missile defense system is important to ensure the safety of U.S. forces and the flow of U.S. forces through foreign ports and air fields when required.

FORCENet/Naval Open Architecture/Space/C4I. FORCENet is the operational construct and architectural framework for Naval warfare in the Information Age which integrates warriors, sensors, networks, command and control, platforms and weapons into a networked, distributed combat force, scalable across the spectrum of conflict from seabed to space and sea to land. FORCENet is the core of Sea Power 21 and Naval Transformation, and is the USN/USMC vehicle to make Network Centric Warfare an operational reality. It is being implemented in coordination with transformation initiatives in the Army, Air Force, and Coast Guard -- enhancing efficiency, joint interoperability, and warfighting effectiveness. DD(X), LCS, CVN-21, SSGN, Virginia Class SSN's, San Antonio Class LPD's, and MMA are examples of platforms that are being designed from inception to perform in the netted environment of the future. Systems being procured and produced under the FORCENet concept are CEC, Naval Fires Network (NFN) and Airborne/Maritime/Fixed (AMF) Joint Tactical Radio System (JTRS).

The Navy is engineering a single open architecture for all warfare systems called Navy Open Architecture. Future systems will be designed to this architecture while legacy systems will be migrated to that single architecture where it is operationally and fiscally feasible. This integrates the Command and Control and Combat systems information flow using open specifications and standards and open architecture constructs, to support FORCENet and other global information networks. Further, this significantly reduces the development and

maintenance costs of computer programs. The Navy and its Joint Service partners continue to jointly engineer the Joint Track Manager and plan to implement it into Navy Open Architecture as the Open Architecture Track Manager. This joint focused application will be populated in all Naval warfare systems that conform to the single OA warfare system architecture.

The Navy and Marine Corps continues to pursue the maximum use of space to enhance our operational capabilities. We look to leverage existing systems and rapidly adapt emerging technology. For example, the Navy has long been the leader in ultrahigh frequency (UHF) satellite communications (SATCOM). The Navy is the executive agent for the next generation UHF SATCOM system. This program, the Mobile Users Objective System, will be the system used by all DoD components for their UHF communications needs.

Sea Basing and Strategic Sealift. Sea Basing is a transformational operating concept for projecting and sustaining Naval power and a joint force, which assures joint access by leveraging the operational maneuver of sovereign, distributed, and networked forces operating globally from the sea.

The Sea Basing concept has been endorsed by the other military services and its importance was confirmed when DoD announced a Joint Sea Basing Requirements Office will soon be established. Central to the staying power of Naval forces will be the Maritime Pre-positioned Force-Future MPF(F). The FY 2005 Budget accelerates the lead MPF (F) from FY 2008 to FY 2007 to reflect an emphasis on Sea Basing capabilities.

Infrastructure

Prior Rounds of Base Realignment and Closure (BRAC). The Department of the Navy completed the closure and realignment of activities from the 1988, 1991, 1993 and 1995 rounds of BRAC. All that remains is to complete the environmental cleanup and property disposal on all or portions of 23 of the original 91 bases. We have had significant successes on both fronts. We are successfully using property sales as a means to expedite the disposal process as well as recover the value of the property for taxpayers. We sold 235 acres last year at the former Marine Corps Air Station, Tustin, California on the GSA internet web site for a net \$204 million. We sold 22 acres at the former Naval Air Facility Key West, Florida in January 2004 for \$15 million. The City of Long Beach, California opted to pre-pay its remaining balance on a promissory note, and gave us \$11 million to conclude its purchase of the former Naval Hospital Long Beach, California. We are applying all funds to accelerate cleanup at remaining prior BRAC locations. More property sales are planned that will be used to finance remaining prior BRAC cleanup actions. Of the original 161,000 acres planned for disposal from all four prior BRAC rounds, we expect to have less than seven percent (or about 11,000 acres) still to dispose by the end of this fiscal year.

BRAC 2005. The FY 2002 Defense Authorization Act authorized another round of BRAC in 2005. We will scrupulously follow the process laid out in the law. We will treat each base equally and fairly, whether considered for closure or realignment in the past or not. In no event will we make any recommendations concerning any closures or realignment of our bases until all the data has been collected, certified and carefully analyzed within the overall BRAC 2005 statutory framework.

BRAC 2005 gives us the opportunity to transform our infrastructure consistent with the significant changes that are, and will be, happening with the transformation of our force

structure. The Secretary of Defense is leading a process to allow the military departments and defense components to closely examine joint use opportunities. Military operations in Afghanistan and Iraq demonstrated the force multiplier benefits of joint operations. We will apply those approaches to our shore infrastructure. We will look beyond the traditional stovepipes of Navy bases and Marine Corps bases in BRAC 2005 and take a joint approach matching military requirements against capacity and capabilities across the Department of Defense.

The added benefit is the opportunity to eliminate excess capacity and seek greater efficiencies in our shore infrastructure. Continuing to operate and maintain facilities we no longer need diverts precious resources from our primary mission. Resources freed up as a result of this process will be used to re-capitalize our ships, aircraft, equipment and installations for the future.

Better Business Practices. The DoN has implemented several continuous improvement initiatives consistent with the goals of the President's Management Agenda that enable realignment of resources in order to re-capitalize.

Specific initiatives include: converging our Enterprise Resource Planning (ERP) pilots into an end-to-end operating system; incorporating proven world class efficiency methodologies such as Six Sigma and Lean concepts into our day-to-day operations; and implementing additional Multi-Ship/Multi-Option (MSMO) repair contracts and Performance Based Logistics (PBL) agreements. Of note, Lean efficiency events that concentrate on increasing velocity and productivity in our Aviation Intermediate Maintenance Departments (AIMD) were initiated on USS GEORGE WASHINGTON (CVN 73) and USS HARRY TRUMAN (CVN 75). The outcome of these events will allow us to improve our afloat AIMD processes and influence our future manning requirements on CVN 21 Class carriers. These are the first Lean events conducted on Navy warships.

These continuous improvement initiatives enable us to increase our combat capabilities with the expectation that we become more efficient, agile, flexible and reliable at a reduced cost of doing business.

VI. Our Total Force (Sailors, Marines, and Civilians)

Today more than other time in recent history our Sailors and Marines have a greater understanding and appreciation for service to country. In time of war they have shown the Nation the highest standards of military professionalism and competence. The heaviest burdens in our war on terror fall, as always, on the men and women of our Armed Forces. We are blessed as a Nation to have a 228-year legacy where magnificent men and women volunteer to protect and defend America. Sailors and Marines – along with our civilian workforce – remain the strong and steady foundation of our Naval capabilities.

Active Duty

The Navy and Marine Corps again met enlisted recruiting and accession goals in 2003, and continue to attract America's finest young men and women to national service. The Navy achieved recruiting goals for a fifth consecutive year and in January completed the 30th consecutive month of attaining goals for accessions and new contracts. The Marine Corps met its eighth year of meeting monthly and annual enlisted recruiting goals and its thirteenth year of

success in officer recruiting. Both Services are well positioned for success in meeting 2004 officer and enlisted accession requirements.

During 2003, the Navy implemented a policy requiring 94 percent of new recruits be high school diploma graduates (HSDG), and Navy recruiters succeeded by recruiting 94.3 percent HSDG. Navy Recruiting continued to seek the best and brightest young men and women by requiring that 62 percent of recruits score above 50 on the AFQT; Navy recruiters excelled with a rate of 65.7 percent. Navy recruiting also sought to increase the number of recruits with college experience in FY 2003, recruiting more than 3,200 applicants with at least 12 semester hours of college.

The Marine Corps accessed 97.1 percent High School Diploma Graduates in FY 2003, exceeding their annual goal of 95 percent and ensured the Marine Corps recruited the highest quality young men and women with 70.3 percent of Marine Corps recruits scoring over 50 on the AFQT. This achievement exceeded their annual goal of 60 percent of accessions scoring above 50 on the AFQT. The Marine Corps began FY 2004 with a 58.8 percent starting pool in the Delayed Entry Program and has continued to achieve its monthly recruiting goals during the first quarter FY 2004. The Marine Corps Reserve achieved FY 2003 recruiting goals, assessing 6,174 Non-Prior Service Marines and 2,663 Prior Service Marines. Navy Recruiting was also successful in Naval Reserve recruiting by exceeding the enlisted goal of 12,000 recruits for FY 2003.

Retention. Retaining the best and brightest is as important as recruiting them. Military compensation that is competitive with the private sector provides the flexibility required to meet that challenge.

The Marine Corps has achieved first-term reenlistment goals over the past nine years. They have already achieved 76 percent of their first term retention goal and 47 percent of second tour and beyond goals with just one-third of the fiscal year completed. Officer retention is at a 19 year-high.

Retention in the Navy has never been better. For the third straight year, we experienced the highest retention in history. Retention goals for all categories were exceeded. As a result, at-sea personnel readiness is exceptional and enlisted gaps at sea are at an all-time low.

Notwithstanding our current success in retention, we are constantly on alert for indicators; trends and developments that might affect our ability to attract and retain a capable, trained and talented workforce. We are aware that we need to compete for the best, and ensure continuing readiness, through a variety of means including effective compensation and bonus programs.

The Selective Reenlistment Bonus (SRB) remains the primary tool available to the Navy and Marine Corps for retaining our best and brightest enlisted personnel. SRB represents an investment in the future of our Navy and Marine Corps. The Department of the Navy has a proven track record in the judicious management of this program and other continuation pays used to keep the right force mix to meet the nations requirements. Your continued support of the SRB program as a proven and highly effective tool is important and appreciated.

Attrition. Navy leaders reduced attrition 10 percent from a year ago and 33 percent from FY 2000, while Marine Corps First-Term Post Boot Camp attrition continues the favorable downward trend begun in FY 1999. For the Marine Corps, FY 2003 attrition was at a historical

low, down 1,773 from the previous year. This drop is due largely to a reduction in misconduct and incidents of desertion.

The Department's "Zero Tolerance" drug-use policy continues to be strictly enforced, widely disseminated, and supported throughout the leadership. Through a comprehensive random drug testing program, educational programs, and Command support, the Navy and Marine Corps Team achieved an 18 percent reduction in attrition even while testing rates increased.

Training. The Navy and Marine Corps have defined their respective strategies for advancing into the future as part of a Joint Force. The Services have developed strategies that clearly define how Navy and Marine forces of the 21st Century will be equipped, trained, educated, organized and used in our continued efforts to control the seas, to project American military influence abroad, and to protect our borders.

Marine Corps' Strategy 21 defines as its vision and goal the development of enhanced strategic agility, operational reach and tactical flexibility and enabled joint, allied and coalition operations.

Navy's Sea Power 21 defines its commitment to the growth and development of its Service members. Sea Warrior is the "people" part of Sea Power 21. Its focus is on growing individuals from the moment they walk into a recruiting office through their assignments as Master Chiefs or Flag Officers, using a career continuum of training and education that gives them the tools they need to operate in an increasingly demanding and dynamic environment. Transformation for the future, leveraging technology and tapping into the genius of our people to make them more efficient and effective -- creating a single business process for the range of human resource management activities is exactly what Sea Warrior is all about. Our goal remains attracting, developing, and retaining the more highly skilled and educated workforce of warriors that will lead the 21st Century Navy.

Reserves

Reserves remain an integral part of our Navy and Marine Corps Team. The Department of Defense is undergoing a transformation to a more responsive, lethal and agile force based on capabilities analysis rather than threat analysis. Last July, Secretary Rumsfeld issued a memorandum, *Rebalancing Forces*, in which he directed the Services to promote judicious and prudent use of rebalancing to improve readiness of the force and to help ease stress on units and individuals. Three areas of focus of the Services are:

- Enhance early responsiveness.
- Resolve stressed career fields.
- Employ innovative management practices.

The Navy recently completed a study focused on redesigning the Naval Reserve so that it is better aligned with, and operationally relevant to, active forces. Working groups have been chartered to implement key points of the study. Implementation has commenced and will continue through this year and next. The three main areas of focus are Personnel Management, Readiness and Training, and Organizational Alignment. The Navy is transforming the Naval Reserve so that it is fully integrated with active forces. Reservists are shifting away from thinking of "Naval Reserve requirements" to "Navy requirements" - a shift that includes goals,

capabilities and equipment. The Navy mission is the Naval Reserve mission. One Navy, one team, is the message.

Naval and Marine Corps reservists are filling critical joint and internal billets along with their active counterparts. Naval and Marine Corps Reserve mobilization is a requirements-driven evolution and reservists, trained and ready, are making significant contributions. While the numbers of mobilized reservists can fluctuate as GWOT requirements dictate, our objective is to keep the number of mobilized personnel at a minimum.

Since September 11, 2001, the Navy has mobilized over 22,000 reservists with a peak of just over 12,000 during OIF. This is from a Selected Reserve population of just over 87,000. Mobilized commissioned Naval units include Coastal Warfare, Construction Battalion and Aviation communities, while individuals were mobilized primarily from Security Group, Naval Intelligence, Law Enforcement and Physical Security augment units. We anticipate a steady state of approximately 2,500 mobilized Naval Reservists this year.

The Marine Corps has mobilized over 22,000 reservists from an authorized Selected Reserve end strength of 39,600 and just over 3,500 from the Individual Ready Reserve. Currently mobilized reservists number just under 6,500. With OIF II requirements, the number of mobilized Marine Reservists is expected to increase by approximately 7,000. OIF II Marines will deploy in two rotations of approximately seven months each, augmenting Marine Corps capabilities in Infantry, Armor, Aviation, Command, Control, Computers and Intelligence, Military Police and Civil Affairs.

Civilian Personnel

A large part of the credit for the Navy's outstanding performance goes to our civilian workforce. These experienced and dedicated craftspeople, researchers, supply and maintenance specialists, computer experts, service providers and their managers are an essential part of our total Naval force concept.

In the past, our ability to utilize these skilled human resources to accomplish the complex and fast-developing missions of the 21st Century has been limited by the requirements of a 19th Century personnel system. The FY 2004 Defense Authorization Bill now allows DoD to significantly redesign a National Security Personnel System (NSPS) for the civilian workforce. This change represents the most significant improvement to civilian personnel management since the 1978 Civil Service Reform Act.

The DoN has volunteered to be in the first wave of conversions to NSPS later this year. The Department expects to transition as many as 150,000 of our dedicated, hard-working civilians to the new system this year. We will work closely with DoD to ensure we meet this aggressive timeline. We are also working Defense Acquisition Workforce Improvement Act streamlining initiatives alongside NSPS to ensure we use these tools to produce a robust and capable workforce.

The reforms will provide supervisors and managers greater flexibility in managing our civil service employees, facilitate competition for high quality talent, offer compensation competitive with the private sector, and reward outstanding service. It will build greater pride in the civilian workforce and attract a new generation of civilians to public service. Properly executed, these changes also will assist us in better utilizing the active duty force by making it easier to employ civilians in jobs currently filled by uniformed military personnel.

NSPS legislation will have a transformational effect on organizational design across the Department. NSPS will improve alignment of the human resources system with mission

objectives, increase agility to respond to new business and strategic needs, and reduce administrative burden.

The foundation for NSPS is a more rigorous tie between performance and monetary awards for employees and managers. Basic pay and performance incentives should be tied directly to the performance measurement process -- supervisory personnel are also rewarded for successfully performing managerial duties. Implementation of this system will be a significant step forward by linking employees' performance to mission accomplishment and enabling better management of scarce resources throughout the DoN.

We are faced with a monumental change in how we will do business and an even larger cultural change from one of entitlement to one that has a performance-based compensation. This will be a huge effort and we are determined to ensure successful implementation. We will continue to scrutinize our human resource business methods. As we implement the bold initiatives in NSPS, we will take a hard look at our administrative policies with a specific eye on those that are burdensome or add no value.

Quality of Service

We will continue to provide an environment where our Sailors and Marines, and their families have confidence in themselves, in each other, in their equipment and weapons, and in the institution they have chosen to serve. This year, with your help, we continued the significant advances in compensation, in building the structure to realize the promise of the revolution in training, in improving bachelor and family housing, and in strengthening our partnership with Navy and Marine families.

The Department remains committed to improving living conditions for Sailors and Marines, and their families. Our policy is to rely first on the private sector to house military families. As a result, along with the initiative to increase Basic Allowance for Housing (BAH), the need and consequently the inventory for military family housing is going down. Additionally, we are partnering with the private sector in Public/Private Ventures (PPV) to eliminate inadequate housing.

At the top of nearly any list put together in our partnership is the promise of medical care for Sailors, Marines, and their families. Naval medicine is a force multiplier, ensuring our troops are physically and mentally ready to whatever challenges lie ahead. High quality care and health protection are a vital part of our ability to fight the Global War on Terrorism and execute other worldwide mission. Naval medicine today is focused on supporting the deployment readiness of the uniformed services and promoting, protecting and maintaining the health of all those entrusted to Naval Medicine care -- anytime, anywhere.

Safety

The Navy and Marine Corps are working to meet the Secretary of Defense's goal of reducing mishaps by 50 percent from FY 2002 to the end of FY 2005. We have many initiatives in place and planned for the near future. We have seen real progress in reducing private motor vehicle fatalities, which are down 20 percent from the FY 2002 baseline. We have begun applying technologies now used in commercial aviation to provide a visual and quantitative feedback loop to pilots and mechanics when either the pilot or aircraft has exceeded specific safety of flight parameters. We will continue to press forward with safety both to take care of people, our most precious asset, and to allow us to invest elsewhere.

Shaping the Force

The Navy is making an effort to reduce its active duty manpower as part of the DoN transformation program. This is the first step and an integral part of our strategy to properly shape both the officer and enlisted force. Today, as the Navy moves to a more efficient and surge-ready force, maintaining the correct skill sets is more important than ever. We are convinced we can get the job done with fewer people; by eliminating excess manpower we can focus better on developing and rewarding our high-performing forces. Additionally, reducing manpower gradually today will ensure the Navy is properly manned when a new generation of optimally manned ships joins our force, with a completely revised maintenance, training, and war-fighting requirements. We will ensure any manpower reductions will be preceded by reductions in functions.

VII. Summary

Naval forces remain a critical and unique element of our national security strategy. The Navy and Marine Corps Team answers the President's call to duty by being the first on station -- with staying power. Our forces exploit the open oceans and provide the Combatant Commander with persistent sovereign combat Naval forces. This is the value that credible forward deployed Naval forces provide our Nation.

The FY 2005 Budget unifies many of our innovative and transformational technologies with Naval Power 21. Sustaining investment in Naval forces continues to protect and promote American interests by allowing the forward deployed Navy and Marine Corps Team to shape the international security environment and to respond to the full spectrum of current and future crises.

With our FY 2005 Budget request we focus on people, combat capability, technology insertion, and improved business practices. Additionally, we continue to work with our Joint Service partners in organizing, equipping and training to fight jointly. With continued Congressional support the Department of the Navy will position the Navy and Marine Corps Team as part of the most formidable military force in the 21st Century.

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UNTIL RELEASED BY THE
HOUSE ARMED SERVICES
COMMITTEE

STATEMENT OF
ADMIRAL VERN CLARK, U.S. NAVY
CHIEF OF NAVAL OPERATIONS
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
12 FEBRUARY 2004

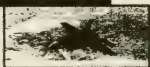
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UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman and members of the Committee, I appreciate this opportunity to appear before you. I want to express my gratitude for the substantial investment you have made in making this Navy the best Navy the nation has ever seen.

Your Navy is built to take credible combat power to the far corners of this earth, taking the sovereignty of the United States of America anywhere we need to take it and at anytime we choose to do so. It is capable of delivering the options this nation needs to meet the challenges of today and it is committed to the future capabilities the joint force will need to win throughout the 21st century.

CREDIBLE COMBAT POWER

Joint Decisive



Sea Based



Persistent



Netted

Around the World...Around the Clock

It is a wonderful time to be a part of this Navy and a great privilege to be associated with so many men and women - active and reserve, uniformed and civilian - committed to the service and defense of this nation. I speak for all of our men and women in thanking you for your exceptional and continuous support.

I: Your Navy Today - Projecting Decisive Joint Power Across the Globe

Your Navy's performance in Operations ENDURING FREEDOM (OEF) and IRAQI FREEDOM (OIF) last year proved - more than

anything else - the value of the combat readiness in which you have invested. It demonstrated the importance of the latest technology in surveillance, command and control and persistent attack. It highlighted our ability to exploit the vast maneuver space provided by the sea. Most importantly, it reaffirmed the single greatest advantage we hold over every potential adversary: the genius of young Americans contributing their utmost in their service to this nation.

This past year, the fleet produced the best readiness levels I've seen in my career. We have invested billions of dollars to training, maintenance, spare parts, ordnance, flying hours and steaming days accounts these last few years, and that investment resulted in the combat ready response of more than half the Navy to operations worldwide.

Seven aircraft carriers and nine big deck amphibious ships were among the 164 U.S. Navy ships forward deployed last spring in support of OEF and OIF and contingencies worldwide. The Military Sealift Command sailed and chartered more than 210 ships and moved 94 percent of the nation's joint and combined capability to the fight. We also deployed three Fleet Hospitals, a Hospital Ship, 22 P-3 aircraft, 25 Naval Coastal Warfare detachments and we mobilized more than 12,000 reservists.

OIF and OEF were the most joint operations in our history and they have provided the best possible opportunity to dissect, study and analyze some of the limiting factors and effects of how we fight. Beyond the mere numbers, these operations confirmed that we should continue to pursue the capabilities that enhance our power projection, our defensive protection and the operational independence afforded by the sea.

While we recognize that we must continue to challenge all of our assumptions in a variety of scenarios, our lessons learned indicate that the capabilities-based investment strategies, new war fighting concepts and enabling technologies we are pursuing in our Sea Power 21 vision are on the right vector. Let me give you some examples.

- The reach, precision and persistence of our **Sea Strike** capability added lethality to ground combat engagements in Afghanistan and Iraq. The joint surveillance and attack

technologies and processes that we have already put in place forced enemy combat formations to either disband and desert or be destroyed in place by precision weapons. Navy aviation generated more than 7000 combat sorties in support of OIF, sometimes flying joint missions with land-based Air Force tankers more than 900 miles from their carriers. Surface combatants and submarines struck targets throughout Iraq with more than 800 Tomahawk missiles. The initial deployments of new F/A-18E/F Super Hornet squadrons greatly extended our range, payload, and refueling options. And we will realize more of these capabilities in the future through the conversion of the first of four Trident SSBNs into the SSGN conventional strike and Special Operations Forces platform.

- USS HIGGINS (DDG 76) provided early warning and tracking to joint forces in Kuwait and southern Iraq to help warn forces and defend against the threat of theater ballistic missiles. This tracking-only capability demonstrated the initial potential of extending *Sea Shield* defenses to the joint force. In a sign of things to come, we advanced our missile defense capability with another successful flight test of our developmental sea-based defense against short-to-medium range ballistic missiles. USS LAKE ERIE (CG 70) and USS RUSSELL (DDG 59) combined to acquire, track and hit a ballistic test target in space with an SM-3 missile in support of the Ballistic Missile Defense program. This was the fifth success in six tests.

Our OIF mine warfare efforts cleared 913 nautical miles of water in the Khor Abd Allah and Umm Qasr waterways, opening 21 berths in the Umm Qasr port and clearing the way for operations in the littoral areas of the Northern Persian Gulf and for humanitarian aid shipments into Iraq. These operations included the use of the High Speed Vessel X1 (JOINT VENTURE), Navy patrol craft and six unmanned, autonomous underwater vehicles (AUV) directly from our science and technology (S&T) program in the littoral for special operations and mine clearance operations, and gave us important insights into our vision for both future littoral and mine warfare concepts and capabilities.

- We projected joint combat forces across the globe with greater speed and agility than we have ever done in the past. Along with our number one joint partner, the United States Marine Corps, we put more than 60,000 combat-ready Marines ashore in Kuwait in 30 days. The Navy's Military

Sealift Command delivered more than 32 million square feet of combat cargo and more than one billion gallons of fuel to the nation's war fighters in Operations Enduring Freedom and Iraqi Freedom. We were able to sustain the strategic and operational flexibility afforded by **Sea Basing** to generate a three-axis attack on Iraq from our dispersed aircraft carriers, surface combatants and submarines in the Red Sea, the Mediterranean Sea and the Persian Gulf.

We forged ahead in our shipbuilding investments. We awarded three preliminary design contracts for the Littoral Combat Ship (LCS), leading to the construction of the first LCS in FY05. We selected the baseline design for the DD(X) 21st Century multi-mission destroyer, launched SAN ANTONIO (LPD 17), christened VIRGINIA (SSN 774) and began fabrication of MAKIN ISLAND (LHD 8) and LEWIS AND CLARK (T-AKE 1).

- In OIF, we were able to know more, decide faster and act more decisively than ever before. Our three-axis, multi-platform attack from the Persian Gulf, Red Sea and Mediterranean Sea - as well as the geometric increases in striking power, defensive protection and speed of maneuver generated by our joint forces - is made possible by the power of joint command, control, communications, computers, intelligence, surveillance and reconnaissance (C⁴ISR). Fully eighty percent of targets struck with precision ordnance were unknown at aircraft launch. We developed and installed CENTRIX and COWAN networks to enhance joint and coalition interoperability on all of our deploying ships, and we also promulgated the **FORCEnet** campaign plan, defining the architecture and standards that will help us further integrate warriors, sensors, weapons, and platforms.

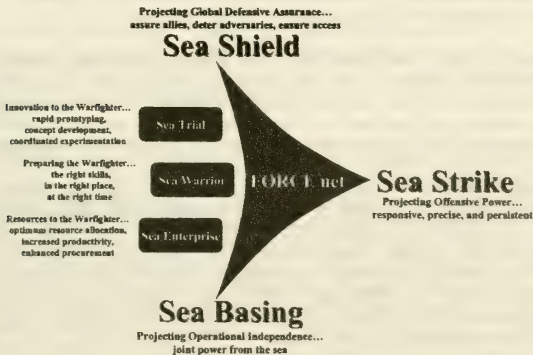
These accomplishments this past year have taught us more about who we are and where we're headed. We know that the combat power of the truly joint force is much more than the sum of the services' contributions. We understand the value of readiness and the importance we must place on improving the fleet's ability to respond and surge with decisive combat power. We relearned the lesson that over flight and basing is not guaranteed; our dominance of the maritime domain and our consequent ability to quickly deliver an agile combat force is a priceless advantage for our nation. And we reaffirmed that our people are now, and always will be, the root of our success.

II: Your Navy Tomorrow - Accelerating Our Advantages

Readiness, advanced technology, dominance of the maritime domain, and the genius of our people - these are our asymmetric advantages. They are the core of our Sea Power 21 Navy and we intend to accelerate these advantages over the coming year. We are in a position to continue to build upon and recapitalize these strengths, to innovate and experiment, and to push the envelope of operational art and technological progress. Our ability to project persistent, sovereign combat power to the far corners of the earth now and in the future depends on it.

In last year's statement, I discussed principally the advantages brought by advanced technology and the vast maneuver area of the sea in our Sea Power 21 vision.

SEA POWER 21



This year, I'd like to spend a few moments on the efforts we've taken to improve our other advantages: our **readiness to respond** to the nation's defense needs and the tools we'll need to ensure the **right people** for our Sea Power 21 Navy.

Today's naval forces and personnel are superbly trained and well provisioned with ordnance, repair parts and supplies. They are ready earlier - for a longer period of time - and

they are deploying at a higher state of readiness than ever before. In short, the Navy the nation has paid for is truly ready to accomplish its missions and it is more ready to do so than I've ever seen it in my career.

I mentioned the results; in OIF, we surged more than half the fleet to fight half a world away. The combined power of our forward presence forces and those that we were able to surge overseas helped keep our enemies on the run. This conflict and our analysis of future campaign scenarios make it apparent that the readiness of both our forward forces and the forces that must surge forward will be critically important to our future. It is no longer good enough to be able to surge just once every ten years or so.

The war on terrorism and the unpredictability of the global security environment make this an immediate imperative. The nation needs a Navy that can provide homeland defense and be *both* forward and ready to surge forward to deliver overmatching and decisive combat power whenever and wherever needed. We are committed to do so.

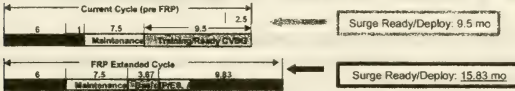
With this in mind, we launched the **Fleet Response Plan (FRP)** this past year. The FRP resets the force in a way that will allow us to surge about 50 percent more combat power on short notice and at the same time, potentially reduce some of the personnel strain of forward rotations.

In simplest terms, rather than having only two or three CSGs forward-deployed and properly equipped at any one time - and an ability to surge only a maximum of two more - the FRP enables us to now consistently deliver six forward deployed or ready to surge Carrier Strike Groups (CSGs) almost immediately, plus two additional CSGs in the basic training phase in 90 days or less. This FRP capability is commonly known as six plus two.

To do this, we have fundamentally reconfigured our employment policy, fleet maintenance, deployment preparations and fleet manning policies to expand the operational availability of non-deployed fleet units. We have shifted the readiness cycle from one centered solely on the next-scheduled-deployment to one focused on returning ships to the right level of readiness for both surge and deployed operations. The net result is a fleet that is more ready, with more combat power - more quickly - than was possible in the past.

FRP AND AN EXTENDED CYCLE: What Does It Yield?

- Increased Surge Capability
- More responsive force
- Fiscally efficient, properly funded, pre-planned maintenance
- Progressive and predictive levels of readiness



**Bottom Line: More ships in an employable status,
sooner in the cycle for a longer period of time!**

Our forward rotations remain critically important to our security, to strengthening alliances and coalitions, and to the global war on terrorism. But it is clear we must make these rotations with purpose, not just to fill the calendar.

For example, implementing the new Proliferation Security Initiative to counter weapons of mass destruction as a tool for terrorists and their sponsors is likely to involve the use of forward naval forces in maritime interdiction. Additionally, we plan to be ready to establish Initial Missile Defense operations using forward-deployed ARLEIGH BURKE class guided missile destroyers and their AEGIS systems in Long-Range Tracking and Surveillance roles. And of course, we will continue to provide Combatant Commanders with the combat-credible, rapidly employable forward forces required for the nation's defense.

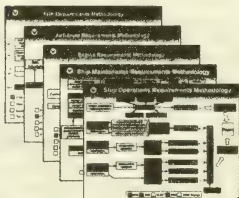
But at the same time, we recognize that our ability to rapidly surge significant additional combat power and provide a range of joint employment options is critically important to the swift and decisive combat operations that must be our future. The FRP allows us to do just that.

We have an obligation to accurately assess the readiness needs and create the resources necessary to support this FRP capability. This has also been a major focus this past year.

Readiness is a complex process. It is much more than a count of our end strength, our ordnance and spares, and the number of hours and days spent training. It is the product of our ability to deliver the required effects needed to accomplish the mission. We know too that readiness at any cost is unacceptable; as leaders we must achieve and deliver the right readiness at the right cost.

The **Integrated Readiness Capability Assessment (IRCA)** was developed for the FY05 budget to more carefully examine our readiness processes. Starting with our new FRP operating construct, we took a hard look at everything that we needed to have on hand and what we needed to do to deliver the required combat readiness for the nation's needs.

INTEGRATED READINESS CAPABILITY ASSESSMENT



- **Process**
 - Map modeling process
 - Identify opportunities for mitigation
 - Assess level of risk
 - Process Change
 - Management Initiatives
 - Transformational

FRP capability used as the yardstick for all assessments

The IRCA assessment helped us understand the collective contributions of all the components of readiness, accurately define the requirements, align the proper funding and provide a balanced investment to the right accounts. It improved our visibility into the true requirements and it gave us a methodology to assess and

understand both acceptable and unacceptable risks to our current readiness investments.

The end result is this: we have carefully defined the readiness requirement. We have identified areas where we can streamline or cease activities that do not add to readiness. And we have requested the funds our commanders need to create the right readiness for FY05. I ask for your support of this year's current readiness request as we've re-defined these processes and already taken acceptable risks. **We will deliver the right readiness at the right cost to the nation.**

These improvements to our operational availability of forces and the associated readiness elements will not be made on the backs of our people.

We have a smart, talented cadre of professionals who have chosen a lifestyle of service. Our ability to challenge them with meaningful, satisfying work that lets them make a difference is part of our covenant with them as leaders.

A new operating concept like the Fleet Response Plan could not be made if we still had the kind of manpower-intensive mindset to problem solving we had even five years ago. But today, thanks to your sustained investment in science and technology among others, we have already realized some of the advancements in information technology, simulators, human system integration, enterprise resource planning, web-enabled technical assistance and ship and aircraft maintenance practices that can reduce the amount of labor intensive functions, the training and the technical work required to ensure our readiness.

These advances speak to our larger vision for our Sea Power 21 Navy and its Sea Warrior initiative. Our people are today's capital assets. Without them, all the advanced weaponry in the world would sit dormant. But at the same time, it is the effects they deliver that are the true measure of their contribution to readiness and capability.

We have long had a force stove-piped into active and reserves, uniformed and civilian, sea and shore, and enlisted and officer components, all with work driven largely by the limits of industrial age military capabilities, personnel practices, technology and the organizational models of the day.

In today's era, when we have whole corporations bought or sold just to capture the *intellectual* capital of an organization, we recognize that our **human resource strategy** must capture the talents and efforts of our capital as well. **Our vision for the future is a more truly integrated workforce wholly committed to mission accomplishment.** This must include a total force approach that can functionally assess missions, manpower, technology and training and produce an enterprise-wide resource strategy.

The principles of this strategy are clear. We will capture the work that contributes to mission accomplishment. We will define enterprise-wide standards. We will leverage technology to both enhance and capitalize on the growth and development of our people. We will streamline organizational layers. We will instill competition. And we will incentivize the talents and behaviors needed to accomplish the mission.

There is still much to study and discuss as we develop our total force approach in the months and years ahead, but we can already see that the application of these principles will help us more accurately define our manpower requirement and lead us to a smaller workforce in the future.

The benefits are enormous. Our people will be powerfully motivated and better educated and more experienced in the coming years. They will be properly equipped to maintain, operate and manage the higher technology equipments that are our future. Our combat capabilities will continue to grow.

We must be committed to building a Navy that maximizes the capability of its people while minimizing the total number in the manpower account. Manpower is never free; in fact, manpower we do not truly need limits both the true potential of our people and the investments needed to transform our combat capability for the future.

Our developing human resource strategy will likely require changes in the way we recruit, assess, train and manage the workforce. Sea Warrior of course, is crucial here. Last year's authorization of the National Security Personnel System (NSPS) is very important to such an effort as well. The NSPS Act authorized a more flexible civilian personnel

management system that allows DoD to be a more competitive and progressive employer at a time when our national security demands a highly responsive system of civilian personnel management. The legislation also ensures that merit systems principles govern changes in personnel management, whistleblowers are protected, discrimination and nepotism remain illegal, and veterans' preference is protected. This will facilitate the kind of competition and performance we need for the future. The Navy has volunteered to be in the first wave of conversions to NSPS in 2004.

Most importantly, I believe we will also need these kinds of flexible authorities and incentive tools to shape the career paths and our skills mix in a way that lets us compete for the right talent in uniform, not just within the Navy, but with all the nation's employers as well.

In the months ahead, I will continue to discuss with you our developing human resource strategy and the kinds of authorities we'll need to deliver on it.

We are beginning to realize the powerful war fighting capabilities of Sea Power 21. Our culture of readiness and our commitment to developing a 21st Century workforce will help us employ those transformational capabilities to achieve unprecedented maritime power.

III. Our FY05 Budget Request

This past year our Navy's budget request continued our effort to sustain our current readiness gains, deepen the growth and development of our people and invest in our transformational Sea Power 21 vision while harvesting the efficiencies needed to fund and support these three critical priorities.

This year we intend to:

- **Deliver the right readiness at the right cost** to support the war on terror and the nation's war fighting needs,
- **Shape the 21st century workforce** and deepen the growth and development of our **people**,

- **Accelerate our investment in Sea Power 21 to recapitalize and transform** our force and improve its ability to operate as an effective component of our joint war fighting team.

At the same time, we will continue to **pursue the Sea Enterprise improvements that make us a more effective Navy in both FY05 and beyond.** Our Navy budget request for FY05 and the future supports this intent and includes:

- Nine (9) new construction ships in FY05, including construction of the first transformational destroyer (DD(X)) and the Littoral Combat Ship (LCS), the acceleration of a SAN ANTONIO Class Amphibious Transport Dock Class ship from FY06 to FY05, and one SSBN conversion and refueling. Our request this year includes the following ships:

- o 3 ARLEIGH BURKE Class Guided Missile Destroyers (DDG)
- o 1 VIRGINIA Class submarine (SSN)
- o 1 SAN ANTONIO Class Amphibious Transport Dock (LPD)
- o 2 Lewis and Clark Class Dry Cargo and Ammunition ships (T-AKE)
- o 1 21st Century Destroyer (DD(X))
- o 1 Littoral Combat Ship (LCS), and
- o 1 SSBN conversion/refueling

The investment plan across the future year's defense plan (FYDP) also includes three Maritime Prepositioned Force (Future) (MPF (F)) ships and advanced procurement for an MPF (F) aviation variant. While our build rate dips to six ships in FY06, this is a reflection of a shift in focus to the next generation surface combatants and sea basing capabilities. We have also assessed the risks and divested several assets that have high operating costs and limited technological growth capacity for our transformational future; this includes decommissioning two coastal mine hunter ships, and the accelerated decommissioning of the remaining SPRUANCE-class destroyers, SACRAMENTO Class Fast Combat Store Ships and the first five TICONDEROGA-class guided missile cruisers in the future year's plan.

- Procurement of 104 new aircraft in FY05, including the F/A-18 E/F Super Hornet, the MH-60 R/S Seahawk and Knighthawk Multi-mission Combat Helicopter, the T-45 Goshawk training aircraft and the Marine Corps MV-22 Osprey among others. We continue to maximize the return on

procurement dollars through the use of multi-year procurement (MYP) contracts for established aircraft programs like the Super Hornet and we have increased our research and development investment this year in the Joint Strike Fighter (JSF), the EA-18G Airborne Electronic Attack (AEA) aircraft and the broad area anti-submarine, anti-surface, maritime and littoral intelligence, surveillance and reconnaissance (ISR) capable Multi-mission Maritime Aircraft (MMA).

- Investment in transformational unmanned underwater vehicles (UUV) like the Long-Term Mine Reconnaissance System, and unmanned aviation vehicles (UAV) such as the Broad Area Maritime Surveillance UAV and the Joint - Unmanned Combat Air System. The budget also requests funding for experimental hull forms like the X-Craft, and other advanced technologies including the Joint Aerial Common Sensor (JACS).
- A 3.5 percent basic pay raise, and a reduction in average out-of-pocket housing costs from 3.5 percent to zero, allowing Sailors and their families more of an opportunity to own their own homes and have more of a stake in their communities;
- Investment in housing and Public-Private Ventures that will help eliminate inadequate barracks and family housing by FY07 and enable us to house shipboard Sailors ashore when their vessel is in homeport by FY08;
- Readiness investment that supports the Fleet Response Plan (FRP), including sustained funding for ship and aircraft operations, aviation depot maintenance, and precision guided munitions. This includes improvements in ship maintenance and training scheduling to maximize surge capabilities.

A. Delivering the Right Readiness at the Right Cost

To me, the "right readiness" is the return on your investment in the Navy. Readiness is the catalyst that brings combat power to bear whenever it is needed. Achieving readiness at any cost however is not good for the nation. This year's request accurately defines our readiness needs, assesses the risks to our investment and - as requested - will deliver the resources necessary for leaders in the Navy to create the required readiness.

- **Ship Operations and Flying Hours** requests funds for ship operations OPTEMPO of 51.0 days per quarter for our deployed forces and 24 days per quarter for our non-deployed forces. We have properly funded the flying hour account to support the appropriate levels of readiness and longer employability requirements of the FRP. This level of steaming and flying hours will enable our ships and air wings to achieve the required readiness over the longer periods defined by the Fleet Response Plan, and as a result, it will improve our ability to surge in crisis and sustain readiness during deployment.

- **Ship and Aviation Maintenance.** We have made significant improvements these last few years by reducing major ship depot maintenance backlogs and aircraft depot-level repair back orders; improving aircraft engine spares; adding ship depot availabilities; ramping up ordnance and spare parts production; maintaining steady "mission capable" rates in deployed aircraft; fully funding aviation initial outfitting; and investing in reliability improvements.

Our FY05 request continues to improve the availability of non-deployed aircraft and meets our 100 percent deployed airframe goals. Our ship maintenance request continues to 'buy-down' the annual deferred maintenance backlog and sustains our overall ship maintenance requirement. We are making great strides in improving the visibility and cost effectiveness of our ship depot maintenance program, reducing the number of changes in work package planning and using our continuous maintenance practices when changes must be made.

- **Shore Installations.** Our Facilities Sustainment, Restoration and Modernization (SRM) program remains focused on improving readiness and quality of service for our Sailors. While our FY05 Military Construction and Sustainment program reflects difficult but necessary trade-offs between shore infrastructure and fleet recapitalization, the majority of the SRM trends are very good. Facilities sustainment has increased in FY05. Our budget request keeps us on a course to achieve the DoD goal of a 67-year recapitalization rate by FY08, achieve DoN goals to eliminate inadequate family and bachelor housing by FY07 and provides Homeport Ashore Bachelor Housing by FY08. We are exploring innovative solutions to provide safe, efficient installations for our service members,

including design-build improvements, and BRAC land sales via the GSA Internet. Additionally, with the establishment of Navy Installations Command, we have improved our capability to manage our dispersed facility operations, conserve valuable resources, establish enterprise-wide standards and continue to improve our facility infrastructure.

- **Precision Guided Munitions** receive continued investment in our FY05 request with emphasis on increasing the Joint Stand-Off Weapon (JSOW) baseline variant, Joint Direct Attack Munition (JDAM), Tactical Tomahawk (TACTOM), and Laser-Guided Bomb (LGB) inventory levels, while the JSOW penetrator variant enters full-rate production. We have also entered into a Common Missile program with the U.S. Army to replace the aging inventory of TOW, Maverick and Hellfire missiles. Joint partnerships with the Air Force and Army in several of our munitions programs continue to help us optimize both our inventories and precious research and development investments and will remain a focus for us in the future.

- **Training Readiness.** We continue to make significant strides in this critical area. In FY04, the Congress supported two important programs to advance our training readiness. First, you endorsed the Training Resource Strategy (TRS), to provide more complex threat scenarios and to improve the overall realism and value of our training. Additionally, you funded the Tactical Training Theater Assessment and Planning Program to provide for a comprehensive training range sustainment plan. Our FY05 budget continues this work. We are working to make the Joint National Training Capability a reality. We have established a single office to direct policy and management oversight for all Navy ranges as well as serve as the resource sponsor for all training ranges, target development and procurement, and the Navy portion of the Major Range Test Facility Base (MRTFB).

- **Environmental Readiness.** In the last two years, Congress has provided significant legislative relief from encroachment and environmental requirements by amending the Endangered Species Act, the Migratory Bird Treaty Act and the Marine Mammal Protection Act. These amendments help to balance environmental stewardships and realistic military training. We will continue to focus the use of our ranges on military training, and remain committed to our

environmental obligations through integrated natural resource management plans. We will make every effort to protect marine mammals while ensuring our Sailors are properly trained and our transformational systems are properly tested. We look forward to demonstrating our ongoing commitment to environmental stewardship.

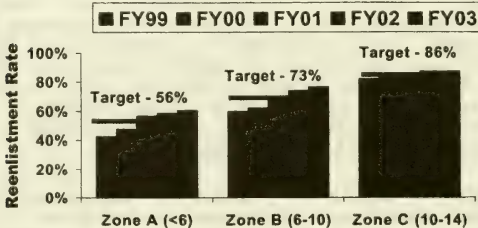
B. Shaping the 21st Century Workforce

At the heart of everything good in our Navy today is this: we are winning the battle for people. Higher quality recruits, historic retention rates, innovative incentive pay pilots, reduced attrition, competitive reenlistments and detailing, and outstanding leadership in the ranks has made this the highest quality workforce the Navy has ever seen.

In 2003 specifically, we exceeded all of our aggregate retention goals for the third straight year; our recruiters reached their quotas for the 28th consecutive month; we reduced attrition another 10 percent from FY02 levels; and, through decommissioning older, manpower-intensive platforms, improving training and employment processes, and more efficient infrastructure organization, we have reduced gaps at sea to less than 1,000, down from 18,000 gaps just six years ago.

PERSONNEL STABILITY

Reenlistment Statistics



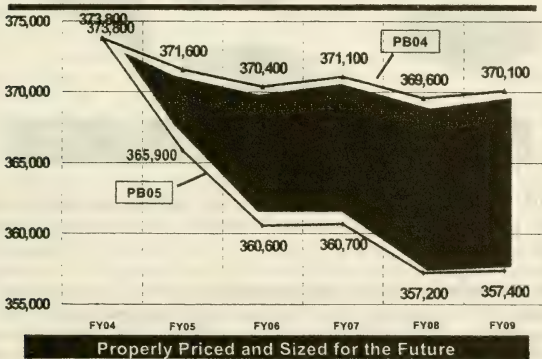
HIGHEST RETENTION IN MY LIFETIME

(12-month average rates through September of each FY)

These accomplishments will help us develop the 21st Century workforce we'll need for our Sea Power 21 Navy. As our Navy becomes more high tech, so must our workforce. Our people will be a more educated and experienced group of professionals in the coming years, and we must properly employ their talents. **We will spend whatever it takes to equip and enable these outstanding Americans, but we do not want to spend one extra penny for manpower we do not need.**

As part of that effort, we continue to pursue the kind of new technologies and competitive personnel policies that will streamline both combat and non-combat personnel positions, improve the two-way integration of active and reserve missions, and reduce the Navy's total manpower structure. To that end, we are proposing a FY05 Navy end strength reduction of 7,900 personnel.

NAVY PERSONNEL



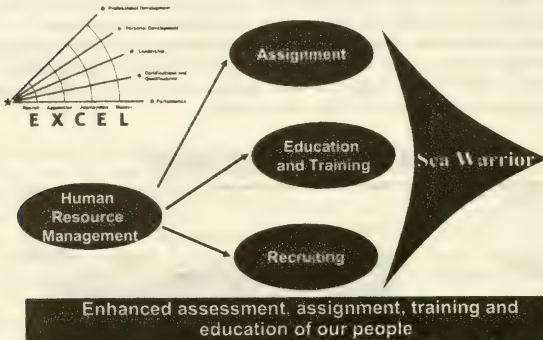
We will use existing authorities and our Perform to Serve program to preserve the specialties, skill sets and expertise needed to continue the proper balancing of the force.

We intend to build on the growth and development momentum of the last three record-breaking years. We are fully committed to ensuring every Sailor has the opportunity and resources to successfully compete. Our goal remains attracting, developing, and retaining the most highly

skilled and educated workforce of warriors we have ever had, to lead the 21st century Navy.

As I testified last year, *Sea Warrior* is designed to enhance the assessment, assignment, training and education of our Sailors.

SEA WARRIOR



Our FY05 budget request includes the following tools we need to enhance mission accomplishment and professional growth:

- **Innovative personnel employment** practices are being implemented throughout the fleet. Optimal manning experiments in USS BOXER (LHD-4), USS MILIUS (DDG 69) and USS MOBILE BAY (CG 53) produced revolutionary shipboard watch standing practices, while reducing overall manning requirements and allowing Sailors to focus on their core responsibilities. The fleet is implementing best practices from these experiments to change Ship Manning Documents in their respective classes. **Optimal manning means optimal employment for our Sailors.**

We have our fourth crew aboard USS FLETCHER (DD 992) and our third crew aboard USS HIGGINS (DDG 76) in our ongoing *Sea Swap* initiative. This has saved millions of dollars in transit fuel costs and increased our forward presence

without lengthening deployment times for our Sailors. FLETCHER and HIGGINS will return to San Diego this year after a period of forward deployed operations of 22 months and 17 months respectively. We will continue to assess their condition and deep maintenance needs to develop and apply lessons learned to future Sea Swap initiatives.

- **Selective Reenlistment Bonus (SRB).** Targeted bonuses such as SRB are critical to our ability to compete for our highly trained and talented workforce both within the Navy and with employers across the nation as well. Proper funding, adequate room for growth and the flexible authorities needed to target the right skills against the right market forces are important to the shape of the workforce. This program specifically targets retention bonuses against the most critical skills we need for our future. We ask for your continued support and full funding of this program.

- **Perform to Serve (PTS).** Last year, we introduced PTS to align our Navy personnel inventory and skill sets through a centrally managed reenlistment program and instill competition in the retention process. The pilot program has proven so successful in steering Sailors in overmanned ratings into skill areas where they are most needed that the program has been expanded. More than 2,400 Sailors have been steered to undermanned ratings and approved for reenlistment since the program began last February and we will continue this effort in 2005.

- **Assignment Incentive Pay (AIP)** is a financial incentive designed to attract qualified Sailors to a select group of difficult to fill duty stations. AIP allows Sailors to bid for additional monetary compensation in return for service in these locations. An integral part of our Sea Warrior effort, AIP will **enhance combat readiness by permitting market forces to efficiently distribute Sailors** where they are most needed. Since the pilot program began last June, more than 1,100 AIP bids have been processed resulting in 238 Sailors receiving bonuses for duty in these demanding billets. We ask for continued support of this initiative.

- **Professional Military Education (PME).** We are taking a more comprehensive approach to the education of our people than we have done in the past. We are in the process of developing a PME continuum that integrates general education, traditional Navy-specific Professional Military

Education (NPME), and Joint Professional Military Education (JPME) curricula. This will allow us to develop a program that fully incorporates all aspects of our professional and personal growth and development training needs.

Improvements so far include establishing networks with civilian educational institutions, developing new degree programs, and establishing partnerships with other services' institutions. We are also expanding opportunity through distance learning and the Internet. We are committed to broadening the professional and intellectual horizons of both our officers and our enlisted men and women to prepare them to operate tomorrow's fleet and assume key naval and joint leadership roles.

- **Human Performance Center (HPC)** has been established to apply Human Performance and Human System Integration principles in the research, development and acquisition processes. In short, the HPS will help us understand the science of learning. They will ensure training is driven by Fleet requirements and they will focus requirements on the performance needed to carry out our missions. This will eliminate potential performance and training deficiencies, save money and help us improve our readiness.

- The **Integrated Learning Environment (ILE)** is the heart of our Revolution in Training. ILE is a family of systems that, when linked, will provide our Sailors with the ability to develop their own learning plans, diagnose their strengths and weaknesses, and tailor their education to support both personal and professional growth. They will manage their career requirements, training and education records. It will match content to career requirements so training is delivered at the right time. Most importantly, these services will be provided anytime, anywhere via the Internet and the Navy-Marine Corps Intranet (NMCI).

We are taking advantage of every opportunity to accelerate the tools we need to develop our 21st Century workforce. The improvements and pilots that Congress has supported - including bonuses, pay table adjustments, retirement reforms, better medical benefits, and our Sea Warrior initiatives - are having the desired impact.

Your support of our FY05 request for a 3.5 percent basic pay raise, for our efforts to transform our manpower structure in some fundamental ways, and for a reduction in average out-of-pocket housing costs from 3.5 percent to

zero will have a direct effect on our ability to properly size and shape the 21st century workforce that is our future.

C. Accelerate Our Investment in Sea Power 21

As I testified last year, Sea Power 21 defines the capabilities and processes that the 21st century Navy will deliver. We now have an opportunity to accelerate the advantages that our vision for a joint, netted and sea-based force provides this nation, thanks to the tremendous investments that you have made in our battle for people, in the quality of service for each of our Sailors, and in readiness.

This year, we will pursue distributed and networked solutions that could revolutionize our capability. We will focus on the power of Sea Basing and our complementary capability and alignment with our number one joint partner, the U.S. Marine Corps. We will sustain a robust science and technology program, and we will exploit investments made in joint research and development wherever possible.

For example, we are urgently pursuing technical advances to support our Sailors, Soldiers, Airmen and Marines in Iraq. The Naval Sea Systems Command and the Office of Naval Research are working closely with all services, government agencies, industry, and academic and government laboratories to identify, test, and deploy promising technologies that can counter improvised explosive devices (IEDs), snipers, suicide bombers and other force protection threats. We are also pursuing other quick-reaction technology initiatives such as persistent wide-area surveillance using small Unmanned Aerial Vehicles, blue force tracking technology, body armor and extremity protection. We are committed to ensuring that the joint force on the ground is as equipped as they possibly can be to accomplish their mission.

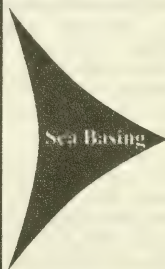
Our highest priority programs within each of the core capability sets that define our *Sea Power 21* vision.

Sea Basing is the projection of operational independence. Our future investments will exploit the largest maneuver areas on the face of the earth: the sea. Sea Basing serves as the foundation from which offensive and defensive fires are projected - making Sea Strike and Sea Shield a

reality. Sea Basing capabilities include, Joint Command and Control, Afloat Power Projection and Integrated Joint Logistics.

SEA BASING

- Sea-bases key joint warfighting capabilities
 - Offensive & defensive power projection
 - Command & control
 - Logistics
- Extends naval advantages to the joint team
 - Freedom of operations
 - Immediate employability
 - Increased security
 - Sustained access
- 100% of the earth's surface as joint maneuver space



Projecting Operational Independence
joint power from the sea

Our intent is to maximize our sea basing capability and minimize as much as possible our reliance on shore-based support nodes. To do this, we will make doctrinal, organizational and operational changes mandated by this concept and by the underlying technology that makes it possible. We have an opportunity here, along with the U.S. Marine Corps and the U.S. Army, to reexamine some of the fundamentals of not only how we move and stage ground forces, but how we fight ashore as well. Our highest priority Sea Basing investments include:

- Surface Combatant Family of Ships. As I've already testified, the power of joint forces in OIF was in the synergy of individual service strengths. The same concept holds true within the Navy itself. We seek the synergy of networks, sensors, weapons and platforms that will make the joint force greater in combat power than the sum of the individual parts. Development of the next generation of surface combatants as "sea frames" - analogous to "air frames" - that are part of a modular system is just such an endeavor.

The *surface combatant family of ships* allows us to dramatically expand the growth potential of our surface combatants with less technical and fiscal risk. To bring these concepts to life and to take them -- and the fight -- to the enemy, we have decided upon three entirely new ship classes. The first to premier will be the Littoral Combat Ship (LCS) in 2007. The advanced strike destroyer (DD(X)) will follow in about 2011. And just a few years after the first DD(X), the keel will be laid on the first CG(X), the next class of cruiser designed from the keel up for theater air and ballistic missile defense.

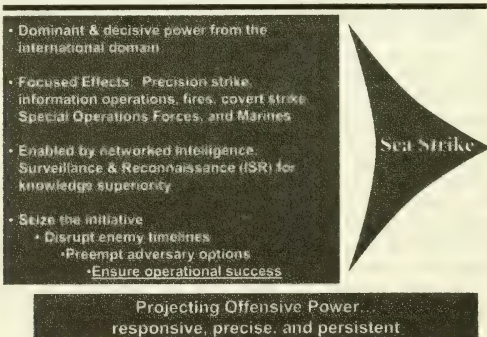
Our research and development efforts and experimentation with high speed and theater support vessels like SWIFT, and the X-Craft later this year, are helping us reduce our technical risk and apply important lessons in hull design and mission modularity to the development of the surface combatant family of ships. DD(X) is the heart of the family and will spiral promising technologies to both CG(X) and LCS in the future. I will discuss each one of these ships in more detail below.

- CVN 21 is the centerpiece of the Navy Carrier Strike Group of the future. It will bring transformational capabilities to the fleet, including a new electrical generation and distribution system, the electro-magnetic aircraft launching system (EMALS), a new/enlarged flight deck, weapons and material handling improvements, and a crew reduction of at least 800 personnel. It will be able to generate higher daily and sustained sortie rates than our NIMITZ-class aircraft carriers. Our FY05 request of \$979M in research and development and procurement funding continues the development of CVN 21 and several critical technologies in the lead ship, including the EMALS prototype and testing already ongoing in Lakehurst, New Jersey. Construction of the CVN 21 remains on track to start in FY07.
- CVN 70 RCOH. The FY05 budget provides advanced procurement funds for the USS CARL VINSON (CVN 70) RCOH, now scheduled to begin in FY06. CVN 70 has sufficient reactor fuel for one additional deployment. This action makes the best possible use of CARL VINSON's remaining fuel capacity and improves shipyard work loading.
- MPF(F). These future Maritime Prepositioning Ships will serve a broader operational function than current

prepositioned ships, creating greatly expanded operational flexibility and effectiveness. We envision a force that will enhance the responsiveness of the joint team by the at-sea assembly of a Marine Expeditionary Brigade that arrives by high-speed airlift or sealift from the United States or forward operating locations or bases. These ships will off-load forces, weapons and supplies selectively while remaining far over the horizon, and they will reconstitute ground maneuver forces aboard ship after completing assaults deep inland. They will sustain in-theater logistics, communications and medical capabilities for the joint force for extended periods as well. Our FY05 request accelerates the lead MPF(F) from FY08 to FY07 to reflect our emphasis on Sea Basing capabilities.

Sea Strike is the projection of precise and persistent offensive power. The core capabilities include Time Sensitive Strike; Intelligence, Surveillance and Reconnaissance; Ship to Objective Maneuver; and Electronic Warfare and Information Operations.

SEA STRIKE



We are already investing in impressive programs that will provide the capabilities necessary to support Sea Strike; these include the following FY05 priorities:

- DD(X). The technology engine for the Fleet, DD(X) is the centerpiece of a surface combatant family of ships and will deliver a broad range of capabilities. This advanced multi-mission destroyer will bring revolutionary

improvements to precise, time-critical strike and joint fires and our Expeditionary Strike Groups of the future.

Transformational and leap ahead technologies include an electric drive and integrated power system; an Advanced Gun System with the high rate of fire and precision to reach almost 8 times farther and command more than 110 times the area of our current five inch capability; the new Multi-Function Radar/Volume Search Radar suite; optimal manning through advanced system automation, stealth through reduced acoustic, magnetic, IR, and radar cross-section signature; and enhanced survivability through automated damage control and fire protection systems. DD(X) is an enabler both technically and operationally. This seaframe will also reduce our seagoing manpower requirements and will lower total ownership costs.

This program will provide a baseline for spiral development of technology and engineering to support a range of future seaframes such as (CG(X)). It will also enable the transformation of our operations ashore. Imagine an Army or Marine rifleman on the ground and Navy Petty Officer at sea looking at the same real-time picture of enemy troops encamped at a municipal airport. With the push of a button, the rifleman sends targeting coordinates to the Petty Officer in a DD(X) more than 50 miles offshore. Within a few minutes, rounds from the AGS start falling on the airport with incredible accuracy. That kind of on-demand, persistent time-critical strike will revolutionize our joint fire support and ground maneuver concepts of operation and it will free our strike fighter aircraft for more difficult targets at much greater ranges.

DD(X)'s all-electric drive, called the Integrated Power System (IPS), will not only drive the ship through the water, but will also generate the kind of power capacity that will enable eventual replacement of the Advanced Gun System (AGS). When combined with the physical capacity and volume of the hull form, DD(X) could lead us to revolutionary technologies from the naval research enterprise like the electromagnetic rail gun and directed energy weapons. The fact that rail guns do not require any explosives will free up magazine space for other mission areas. This capability is projected to be a reality in the 2015 to 2018 timeframe. DD(X) will be in service for decades after that; having the kind of growth potential to

install those kinds of technologies dramatically lowers our future development costs.

The funding profile for DD(X) supports the 14,000-ton design and the S-Band Volume Search Radar (VSR). Lead ship detail design and construction are planned to start in FY05.

- JSF. The Joint Strike Fighter will enhance our Navy precision with unprecedented stealth and range as part of the family of tri-service, next-generation strike aircraft. It will maximize commonality and technological superiority while minimizing life cycle cost. The JSF has just completed the second year of a 10-11 year development program, and is experiencing a variety of typical challenges that affect System Development and Demonstration (SDD) program schedule and cost. Additional design work is required to address technical issues, primarily weight projections. The budget therefore realigns \$5B from procurement appropriations in FY05 through FY09, and Low Rate Initial Production was deferred one year to FY07. The JSF remains vital to our future. It will give us the range, persistence and survivability needed to keep our strike fighters viable for years to come.

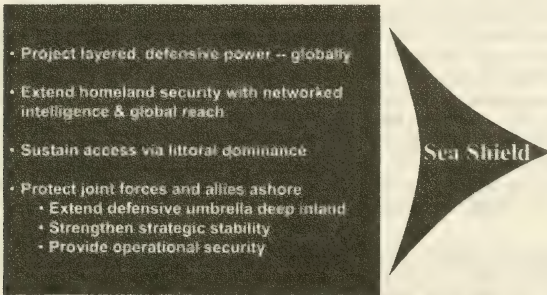
- SSGN. Funding is included in FY05 to continue the SSGN conversion program. Our future SSGN capability will provide covert conventional strike platforms capable of carrying 150 Tomahawk missiles. The SSGN will also have the capacity and capability to support Special Operations Forces for an extended period, providing clandestine insertion and retrieval by lockout chamber, dry deck shelters or the Advanced Seal Delivery System, and they will be arrayed with a variety of unmanned vehicles to enhance the joint force commander's knowledge of the battlespace. The inherently large capacity of these hulls will enable us to leverage future payloads and sensors for years to come. We still expect our first SSGN to be operational in 2007.

- EA-18G. Last year, you initiated funding at our request to replace the aging EA-6B Prowler with the EA-18G Airborne Electronic Attack aircraft. Increased EA-6B usage in 2003 has resulted in wing center section or outer wing panel fatigue for some 43 EA-6B aircraft, making your support last year critical to our ability to dramatically accelerate the recapitalization of the nation's only joint

electronic attack capability. Using the demonstrated growth capacity of the F/A-18E/F, the EA-18G will quickly recapitalize our Electronic Attack capability at lower procurement cost, with significant savings in operating and support costs; all while providing the growth potential for future electronic warfare (EW) system improvements. It will use the Improved Capability Three (ICAP III) receiver suite and provide selective reactive jamming capability to the war fighter. This will both improve the lethality of the air wing and enhance the commonality of aircraft on the carrier deck. We begin purchasing airframes in FY06 and will achieve initial operating capability in 2009.

Sea Shield is the projection of layered, global defensive power.

SEA SHIELD



Projecting Defensive Assurance...
assure allies, deter adversaries, sustain access

Sea Shield will enhance deterrence and war fighting power by way of real-time integration with joint and coalition forces, high speed littoral attack platforms setting and exploiting widely distributed sensors, and the direct projection of defensive power in the littoral and deep inland. Sea Shield capabilities include, Homeland Defense, Sea and Littoral Control, and Theater Air and Missile Defense. Our highest priority Sea Shield programs this year include:

- Mine Warfare Programs. We intend to field a set of unmanned, modular Mine Counter-Measure (MCM) systems employable from a variety of host platforms or shore sites to minimize our risk from mines and sustain our national economic and military access to every corner of the globe. Our future MCM capability will be faster, more precise and organic to both Expeditionary and Carrier Strike Groups and will ultimately remove both the man and our mammals from the minefield. Within the FYDP, we expect to reduce the time that it takes to render sea mining ineffective by at least half of the time that it takes us today.

Our FY05 budget request includes funding to realize organic mine warfare capabilities in one Strike Group this year, while maintaining the funding necessary for a potent and dedicated Mine Countermeasure (MCM) force. We have also requested an increase of \$167M across the FYDP for mine warfare programs, to include unmanned vehicles such as the Long-Term Mine Reconnaissance System (LMRS) to provide a clandestine mine reconnaissance capability from our LOS ANGELES-class submarines, and the Remote Minehunting System on ARLEIGH BURKE-class destroyers (DDGs 91-96). Both of these programs are scheduled to reach Initial Operating Capability (IOC) milestones this year. Future introduction of the Littoral Combat Ship (LCS) with mine warfare mission modules will improve the ability of Strike Groups to neutralize mine threats in parallel with - not in sequence before - other operations.

- Littoral Combat Ship (LCS). The role of LCS is to provide access to joint forces in the littorals; a capability gap we identified as a result of the 2001 Quadrennial Defense Review. During the past year and a half, considerable campaign analysis and fleet battle experiments have demonstrated that naval forces need better ways to fight mines; small, fast, highly armed boats; and quiet diesel and advanced air-independent propulsion submarines operating in shallow waters. The performance of U.S. Navy Patrol Craft and the experimental HSV-X1 JOINT VENTURE in the Iraqi littoral was critical to the early detection and destruction of the Iraqi mine threat. The same kind of capability needs to be delivered in a fast, maneuverable, shallow-draft platform that has the survivability to operate independently. LCS will have these characteristics, along with self-defense, navigation, and command-and-control systems.

LCS will be built from the keel up to be a part of a netted and distributed force, and will be the first ship designed with FORCEnet as a requirement. The main battery of LCS will be its off-board systems: manned helicopters and unmanned aerial, surface and underwater vehicles. It is the off-board vehicles - with both sensors and weapons - that will enter the highest threat areas. Its modular design, built to open-systems architecture standards, provides flexibility and a means to rapidly reconfigure mission modules and payloads. As technology matures, the Navy will not have to buy a new LCS platform, but will upgrade the mission modules or the unmanned systems.

LCS also will have an advanced hull design and be significantly different from any warship that has been built for the U.S. Navy. Detail design and construction of the first LCS Flight 0 ship is planned in FY05. The LCS requirements process is tailored to support the rapid delivery of two flights (Flight 0 and 1) of ships, using an evolutionary, "spiral" acquisition approach. The spiral development process allows time-phased capability improvement for ship and mission systems. This incremental development and delivery strategy supports the ship's accelerated acquisition schedule, diverse threat and capability requirements, and dynamic levels of technology push/pull. The ship's modular, open design will also enable lifecycle adaptability and affordability. Four LCS's have been added since last year's budget plan was submitted.

- Missile Defense. Our Navy is poised to contribute significantly in fielding initial sea based missile defense capabilities to meet the near-term ballistic missile threat to our homeland, our deployed forces, and our friends and allies. We are working closely under the authority of the Missile Defense Agency (MDA) to deliver this much-needed capability to the nation's Combatant Commanders. Our sea-based missile defense programs experienced tremendous success on the test range this year, scoring two of three intercepts. Continued development and testing will support Initial Defensive Operations beginning in the fall of 2004, with select ARLEIGH BURKE-class destroyers providing Long Range Surveillance and Tracking to the nation's capability late this year.

- Multi-mission Maritime Aircraft (MMA) - Broad Area Maritime Surveillance (BAMS). We significantly increased this year's research and development funding for the Multi-

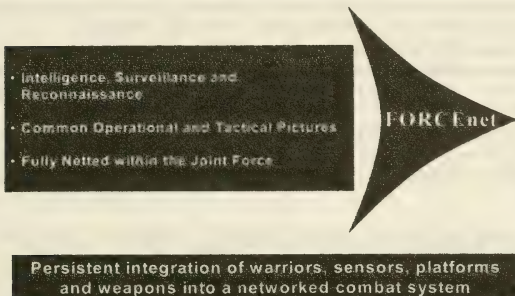
Mission Aircraft to recapitalize our 1950's-era Lockheed "Electra" based P-3 force. Our acquisition plan was further refined this past year with the integration of the Broad Area Maritime Surveillance-Unmanned Aerial Vehicle (BAMS-UAV) program into the overarching Maritime Patrol and Armed Reconnaissance requirement. This lethal combination of manned and unmanned reconnaissance aircraft will recapitalize our maritime patrol anti-submarine warfare, anti-surface warfare and armed intelligence, surveillance and reconnaissance capability. We also developed a robust sustainment plan for the current P-3 fleet that includes special structural inspections (SSI) and kits that extend P-3 service lives by a minimum of 5,000 hours. This SSI program will replace, correct or modify our current P-3 force to ensure that they do not prematurely reach the end of their fatigue life before we achieve Initial Operating Capability (IOC) of the MMA in 2013.

- VIRGINIA-class submarine (SSN-774). The first ship of this class was christened this year and will commission in 2004. This class will replace LOS ANGELES-class (SSN-688) attack submarines and will incorporate new capabilities, including unmanned vehicles, and the ability to support Special Warfare forces. It will be an integral part of the joint, networked, dispersed 21st Century Fleet. Our FY04 budget funded the first of five submarines under the multi-year procurement (MYP) contract authorized by Congress last year. The second submarine of the MYP contract is funded in FY05. Approximately \$240M in economic order quantity advance procurement is funded in FY05 in support of this contract.

- CG Modernization. Funding for the TICONDEROGA-class cruiser modernization continues in FY05. The Cruiser Modernization Program is a mid-life upgrade for our existing AEGIS cruisers that will ensure modern, relevant combat capability well into this century and against evolving threats. These warships will provide enhanced area air defense to the joint force commander. These modifications include installations of the Cooperative Engagement Capability, which enhances and leverages the air defense capability of these ships, and an ASW improvement package. These converted cruisers could also be available for integration into ballistic missile defense missions when that capability matures. Our first cruiser modernization begins in FY06.

FORCEnet is the operational construct and architectural framework for naval warfare in the joint, information age. It will allow systems, functions and missions to be aligned in a way that will transform our situational awareness, accelerate speed of decisions and allow naval forces to greatly distribute its combat power in a unified, joint battlespace. FORCEnet provides the world-class IT tools that we need to continue to be the world-class Navy.

FORCEnet



Programs that will enable the future force to be more networked, highly adaptive, human-centric, integrated, and enhance speed of command include:

- Navy Marine Corps Intranet (NMCI). NMCI is operational and providing commercial IT services for more than 300,000 DoN employees and two Combatant Commanders. This initiative, as part of our FORCEnet strategy, is providing a single, secure shore-based network and will link with our tactical networks to provide end-to-end collaboration within the DoN and across the joint community. FY05 funding of \$1.6B provides for NMCI operations and, at the same time, continues transition of the remaining legacy IT networks to NMCI enterprise network services. This past year, with the help of the authorizing language you provided, the NMCI program finalized a full partnership agreement with the Defense Information Systems Agency for operations and provisioning.

- Mobile User Objective System (MUOS). The new MUOS Satellite Communications (SATCOM) program will increase DoD Narrowband UHF SATCOM capacity by roughly 1300 percent over current capabilities. MUOS is a \$6.4B joint interest program, and it supports a particularly important "Comms-on-the-Move" capability for handheld terminals, aircraft, missiles, and UAVs in urban and heavily wooded terrain. We plan to reach the Initial Operating Capability milestone in 2009, with Full Operational Capability in 2013.
- Joint Aerial Common Sensor (JACS). We have partnered with the Army in the Joint Aerial Common Sensor development program in our pursuit of a replacement for the aging EP-3 airborne information warfare and tactical signals intelligence (SIGINT) aircraft. JACS will provide multi-intelligence strike targeting data and Signals Intelligence capabilities, and will include a Synthetic Aperture Radar, Ground Moving Target Indicator, Electro-Optical and Infrared Sights, and Measurements and Signature capabilities. These will be coupled with automatic/manual data fusion. Our FY05 request includes \$25M for this program.
- Joint Tactical Radio System (JTRS). JTRS will be the wireless "last tactical mile" component of the Global Information Grid (GIG) and will transform Navy's tactical communications systems by incorporating Internet Protocol (IP) communications over multi-spectral radio frequency (RF) media. JTRS is a software programmable, multi-band, multi-mode family of net-workable radios, capable of simultaneous voice, data, video communications and mobile ad hoc networking. Our FY05 request includes \$56M for JTRS.
- Deployable Joint Command Control System (DJC2). DJC2 is the SECDEF and CJCS priority C2 transformation initiative. DJC2 will provide a standing, fully deployable, scaleable, and standardized command and control (C2) capability to the Regional Combatant Commanders (RCC) and Joint Force Commanders. DJC2 responds to the need for joint, deployable C2 capability, with first RCC delivery to PACOM in FY05. DJC2 is an enabler for the Standing Joint Force Headquarters concept being developed by Joint Forces Command (JFCOM). DoN is Lead Component for the acquisition program, and we ask your support for the \$81M we've requested in FY05.

D. Improving Effectiveness

As I've testified, your Navy today is the most capable and most ready Navy in our history, thanks in large part to the support of the Congress and of the American people. But, I believe that we can do better - that, in fact, we must do better - as stewards of the public trust in determining not just *how much* we should spend on programs, but *how* those defense dollars are spent. This is especially true today because of the strategic challenges posed by the ongoing global war on terrorism, because of our need to recapitalize aging, Cold War-era infrastructure and capability, and because of the burgeoning technological and operational changes that will dramatically alter the way we fight. **Revolutionizing the way in which our defense dollars are spent presents opportunities to increase our effectiveness, both now and in the future.**

Sea Enterprise is focusing headquarters leadership on outputs and execution, and is creating ideas that will improve our productivity and reduce our overhead costs. Its key objectives are to:

- Leverage technology to improve performance and minimize manpower costs
- Promote competition and reward innovation and efficiency
- Challenge institutional encumbrances that impede creativity and boldness in innovation
- Aggressively divest non-core, under-performing or unnecessary products, services and production capacity
- Merge redundant efforts
- Minimize acquisition and life-cycle costs
- Maximize in-service capital equipment utilization
- Challenge every assumption, cost and requirement

Department of the Navy senior leadership is actively engaged in tracking the execution of ongoing *Sea Enterprise* initiatives totaling approximately \$40B, and identifying \$12.4B in cost savings and requirements mitigation across the Future Years Defense Program (FYDP). We are committed to efficiency and productivity improvements that will generate the savings necessary to augment our investment stream and implement our *Sea Power 21* vision - delivering the right force, with the right readiness, at the right

cost. Specific highlights of these fiscal transformation initiatives include:

- **Right Readiness.** Along with the Fleet Response Plan, we have also initiated processes ashore that will generate a more effective force. As just one example, we have established a single shore installation management organization, Commander, Navy Installations (CNI), to globally manage all shore installations, promote "best practices" development, and provide economies of scale, increased efficiency, standardization of policies, and improved budgeting and funding execution. This initiative is anticipated to save approximately \$1.2B across the FYDP.

- **Right Cost.** We've taken a hard look at our "level of effort" programs to maximize return on taxpayer investment. This year's effort generated \$2B in future savings in programs not supported by specific performance metrics in force structure, readiness or cost benefit. In addition, we focused on streamlining our organizations and processes as a means to harvest efficiencies and control costs. Innovative programs like SHIPMAIN and the Naval Aviation Readiness Integrated Improvement Program are aiding in developing and sharing best practices, streamlining maintenance planning and improving performance goals in shipyards, aviation depots, and intermediate maintenance activities. We also reorganized the Navy Supply Systems Command, including the establishment of the Naval Operational Logistics Support Center to consolidate transportation, ammunition and petroleum management. We will continue to look for additional opportunities in this area while leveraging the gains already made.

- **Right Force.** We believe transformation to our future force must include improving our buying power. To improve upon our force structure, we're divesting non-core, redundant, under-performing, and outdated products and services. We are using multi-year procurement contracts and focusing where possible on economic order quantity purchase practices to optimize our investments. An excellent example lies in the F/A-18E/F multi-year procurement contract that anticipates procurement of 210 aircraft while saving us in excess of \$1.1B across the FYDP. We also recognize the need to transform our single greatest asymmetric advantage, our people. The upcoming year will focus on ensuring we not only have the right number, but the right mix of military, civilian, and

contractor personnel to accomplish the mission at the lowest possible cost. You've given us a tremendous tool to enhance our flexibility in this area, the National Security Personnel System, and we plan to take full advantage of it.

Building on prior efforts, I'm dedicating a significant amount of personal time to conducting execution reviews with leadership at the major commands across the Navy because, as I see it, leadership engagement in execution is an essential step to achieving our *Sea Enterprise* objectives. These reviews have provided me the opportunity to focus on the intricate details of the organizations while ensuring commanders are aligned with the vision and direction in which we are steaming. We focus on ways to swiftly move from strategy to implementation, as well as innovative ways to reduce costs and return resources to the enterprise for reinvestment.

In 2005, the Navy will continue to pursue product and process efficiencies and the opportunities to be more effective while improving our war fighting capability. Harvesting the savings for recapitalization is a vital part of that effort, and we will continue to balance the benefits of new productivity initiatives against operational risks. Our intent is to foster a culture of continuous process improvement, reduce overhead, and deliver the right force structure both now and in the future.

IV. Conclusion

For us, winning the Global War on Terrorism remains our number one objective - - and victory is the only acceptable outcome. To achieve this, we are **accelerating the advantages** we bring to the nation.

The Fleet Response Plan will improve upon the operational availability of fleet units, providing forward deployed forces for enhanced regional deterrence and contingency response, while at the same time, retaining the ability to rapidly surge in times of crisis.

We are investing in enhanced war fighting capability for the joint force, using the extended reach of naval weapons and sensors to reach farther and more precisely with striking power, and deliver broader defensive protection

for joint forces ashore and fully leverage our command of the sea.

We are creating a personnel environment that attracts, retains and relies upon creative, effective and competitive people. We are investing in the tools, the information technology and the training that delivers more meaningful job content to them because it is they who offer us our greatest advantage.

The support of Congress is vital to our readiness today and to building the Navy of tomorrow - **I thank you for your dedicated efforts and support.**

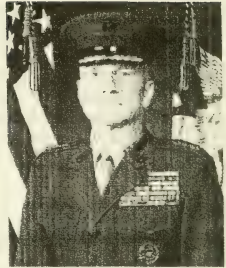
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SERVICES COMMITTEE

STATEMENT OF
GENERAL MICHAEL W. HAGEE
COMMANDANT OF THE MARINE CORPS
UNITED STATES MARINE CORPS
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
CONCERNING
THE DEPARTMENT OF THE NAVY'S FISCAL YEAR 2005
DEFENSE AUTHORIZATION BUDGET REQUEST
ON
FEBRUARY 12, 2004

NOT FOR PUBLICATION
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THE HOUSE ARMED
SERVICES COMMITTEE

General
Michael W. Hagee
33rd Commandant of the Marine Corps

General Hagee graduated with distinction from the U.S. Naval Academy in 1968 with a Bachelor of Science in Engineering. He also holds a Master of Science in Electrical Engineering from the U.S. Naval Postgraduate School and a Master of Arts in National Security and Strategic Studies from the Naval War College. He is a graduate of the Command and Staff College and the U.S. Naval War College.



General Hagee's command assignments include: Commanding Officer Company A, 1st Battalion, 9th Marines (1970); Platoon Commander, Company A and Commanding Officer Headquarters and Service Company, First Battalion, First Marines (1970-1971); Commanding Officer, Waikale-West Loch Guard Company (1974-1976); Commanding Officer, Pearl Harbor Guard Company (1976-1977); Commanding Officer, 1st Battalion, 8th Marines (1988-1990); Commanding Officer, 11th Marine Expeditionary Unit (Special Operations Capable) (1992-1993); Commanding General, 1st Marine Division (1998-1999); and Commanding General, I Marine Expeditionary Force (2000-2002).

General Hagee's staff assignments include: Communications-Electronics Officer, 1st Marine Air Command and Control Squadron (1971); Assistant Director, Telecommunications School (1972-1974); Training Officer, 3d Marine Division (1977-1978); Electrical Engineering Instructor, U.S. Naval Academy (1978-1981); Head, Officer Plans Section, Headquarters Marine Corps (1982-1986); Assistant Chief of Staff, G-1, 2d Marine Division (1987-1988); Executive Officer, 8th Marines (1988); Director Humanities and Social Science Division/Marine Corps Representative, U.S. Naval Academy (1990-1992); Liaison Officer to the U.S. Special Envoy to Somalia (1992-1993); Executive Assistant to the Assistant Commandant of the Marine Corps (1993-1994); Director, Character Development Division, United States Naval Academy (1994-1995); Senior Military Assistant to the Deputy Secretary of Defense, Washington, D.C.; Executive Assistant to the Director of Central Intelligence (1995-1996); Deputy Director of Operations, Headquarters, U.S. European Command (1996-1998); and Director Strategic Plans and Policy, U.S. Pacific Command (1999-2000).

His personal decorations include the Defense Distinguished Service Medal with palm, Defense Superior Service Medal, Legion of Merit with two Gold Stars, Bronze Star with Combat "V", Defense Meritorious Service Medal, Meritorious Service Medal with one Gold Star, Navy Achievement Medal with one Gold Star, the Combat Action Ribbon, and the National Intelligence Distinguished Service Medal.

Chairman Hunter, Congressman Skelton, distinguished Members of the Committee; it is my honor to report to you on the state of readiness of your United States Marine Corps. Your Marines are firmly committed to warfighting excellence, and the support of the Congress and the American people has been indispensable to our success in the Global War on Terrorism. Your sustained commitment to improving our Nation's armed forces to meet the challenges of today as well as those of the future is vital to the security of our Nation. On behalf of all Marines and their families, I thank this Committee for your continued support.

I. INTRODUCTION

In the near-term, the Marine Corps' top priorities are to maintain our high state of readiness and to provide capable forces that meet the demanding needs of the Unified Combatant Commanders in order to prosecute the Global War On Terrorism in support of the Nation. For the long-term, the Marine Corps and Navy are committed to developing a Seabasing capability that will provide a critical joint competency for assuring access and projecting power that will greatly improve the security of the United States. The marked increase in our warfighting capability will be apparent as we introduce new systems such as the MV-22 Osprey, the Expeditionary Fighting Vehicle, the Joint Strike Fighter, and the Lightweight 155mm howitzer into our force structure, using them to enhance the already potent combat power of our Marine Air-Ground Task Forces as integral elements of our Nation's joint force.

The Navy-Marine Corps team continues to play a critical role in the Global War On Terrorism and in the establishment of stability and security throughout the world. During this past year, the Marine Corps, both active and reserve, was engaged in operations from Afghanistan, to the Arabian Gulf, the Horn of Africa, Liberia, the Georgian Republic, Colombia, Guantanamo Bay, and the Philippines. Most prominent in highlighting the value and power of the Nation's naval expeditionary capability was the Marine Corps' participation in Operation IRAQI FREEDOM. Success in this operation underscored the unique contributions of our multi-dimensional naval dominance, our expeditionary nature, our flexibility to deal with complex situations and challenges, and the adaptability of our forces and individuals in order to defeat the challenges posed by adaptive, asymmetric enemies and long-term threats.

Early last year, the I Marine Expeditionary Force deployed a combat ready force of almost 70,000 Marines and Sailors in less than 60 days using the full array of our complementary

power projection capabilities. Forward deployed Marine Expeditionary Units (Special Operations Capable) again demonstrated their proven value for immediate response. Eleven strategically located Maritime Prepositioned Force ships were unloaded in 16 days to provide the equipment and sustainment for two Marine Expeditionary Brigades. A seven ship amphibious force from each coast embarked a total of 11,500 Marines, Sailors, and their equipment and within thirty days these fourteen ships began to arrive and offload in Kuwait. Strategic sea and air lift was also vital to our success in this effort. Exploiting the operational speed, reach, and inherent flexibility of seapower, the Navy-Marine Corps team achieved a rapid buildup of sustained warfighting power that was combat ready to support U.S. Central Command on 1 March 2003.

Closely integrated with our joint and coalition partners, as well as Special Operations Forces, the I Marine Expeditionary Force provided the Combatant Commander with a potent combined arms force comprising a balance of ground, aviation, and combat service support elements all coordinated by a dynamic command element. This teamwork – the product of demanding and realistic Service and joint training – presented a multi-dimensional dilemma for the Iraqi regime's forces and loyalists. It also greatly increased the range of options available to our leadership as they addressed each unique and complex situation. The integration of the 1st United Kingdom Division within the I Marine Expeditionary Force provides outstanding lessons for achieving merged coalition capabilities and consistent goals in the future.

The combat power of I Marine Expeditionary Force generated an operational tempo that our enemy could not match. With short notice that operations would commence early, the Marines and their joint and coalition partners rapidly secured key strategic objectives. The I Marine Expeditionary Force then engaged in 26 days of sustained combat operations. Using the tenets of maneuver warfare, they executed four major river crossings, fought ten major engagements, and destroyed eight Iraqi divisions before stopping in Tikrit – almost 500 miles inland. In support of Joint Special Operations Forces Northern Iraq, the 26th Marine Expeditionary Unit inserted a Marine-Air Ground Task Force from the Eastern Mediterranean into Northern Iraq – almost 1,200 miles distance. The sustained resources of the Marine force, which were derived primarily from our seaborne logistics, provided us unrivaled advantages. While our logistics were stretched by the operational commanders, our combat service support units demonstrated flexibility and resourcefulness.

Highlighting the expeditionary mindset of Marines, our combined arms force successfully operated in desert, urban, swamp, and rural environments while effectively conducting combat, peacekeeping, and humanitarian operations – at times simultaneously. Marines also demonstrated the ability to re-task and reorganize to conduct unanticipated missions like the taking of the city of Tikrit. Following major combat operations, I Marine Expeditionary Force assumed responsibility for security and stability in five Central Iraq provinces until they were relieved of the last province by coalition forces this past September. Flexibility and adaptability are key characteristics of an expeditionary force, and they are critical advantages that we must seek to optimize for the future, particularly in this era of global uncertainty.

Recent operations also emphasize the increased importance of access to key regions for projecting our Nation's power. With global interests, the United States must retain the capability to secure access as needed. Power projection from the sea greatly increases the range of options available to avert or resolve conflicts. A credible naval forcible-entry capability is critical to ensure that we are never barred from a vital national objective or limited to suboptimal alternatives.

Since the end of major combat operations, the Marine Corps has been setting the force in order to enhance warfighting readiness for future contingencies. We are reloading combat equipment and materiel on the ships of the Maritime Prepositioned Squadrons while also ensuring that the requirements for Operation IRAQI FREEDOM II are fulfilled. We are using provided funding to repair, refurbish, and where necessary, replace equipment. During this period, Marines have continued to forward deploy. Marine Corps units are supporting Operation ENDURING FREEDOM in Afghanistan, operations in the Horn of Africa, exercises critical to supporting the Combatant Commanders' Theater Security Cooperation Plans, and counter-drug operations in support of joint and joint-interagency task forces. In addition, we have conducted a major program to identify and analyze lessons learned from the Iraqi campaign. We have also begun to assimilate these lessons and determine where and how our force should be rebalanced.

As the last few years have demonstrated, the Marine Corps Reserve is a full partner in our total force. Reserve units participated in all aspects of the war in Iraq, providing air, ground, and combat service support as well as a large number of individual augmentees to Marine and joint staffs. Mobilized Marine reserve infantry battalions have also served as ready reaction

forces, "on call" to support the Federal Emergency Management Agency's role in homeland security.

II. BUILDING ON SUCCESS FOR IMMEDIATE OPERATIONS

We continue to execute global operations and exercises with our joint and coalition partners. The Marine Corps is preparing to deploy forces to relieve the 3d Armored Cavalry Regiment and the 82d Airborne Division in Western Iraq in support of Operation IRAQI FREEDOM II. These forces will be deployed in two rotations of seven months each. This rotation policy will result in the least disruption for the long-term health of the Marine Corps, precluding stop-loss/stop-move and unnecessary interruptions in recruit training, career progression and development, professional military education, and other deployment requirements. The first rotation, from March until September 2004, will include 25,000 Marines and their equipment and includes almost 3,000 reserve component Marines. A second rotation – of like size and composition – will overlap the first and ensure a smooth and stable transition.

In preparation for Operation IRAQI FREEDOM II, I Marine Expeditionary Force has analyzed lessons learned from their experiences in conducting security and stability operations from March to September 2003, and recent Army lessons learned. As they did last year, I Marine Expeditionary Force is working closely with the Army forces in Iraq; they have conducted a number of liaison visits with the Army units they will relieve. They have drawn from procedures used by the Los Angeles Police Department for neighborhood patrolling in gang dominated areas, the tactics of the British in Iraq – which reflect years of experience in low intensity conflicts and peacekeeping operations, as well as the Marine Corps' own extensive "Small Wars" experience. We have assimilated these lessons through a comprehensive training package that includes tactics, techniques, procedures for stability and counter-insurgency operations. We have conducted rigorous urban operations training and exercises. Over 400 Marines are receiving Arabic language immersion training, and all deploying Marines and Sailors are receiving extensive cultural education. Our supporting establishment is focused on the equipment, logistics, and training requirements of this force – paying particular attention to individual protective equipment, enhanced vehicle and aircraft hardening, and aviation survival equipment and procedures. This training and support are critically important as we send Marines back to war in a volatile, dangerous, and changing situation.

During this next year Marine Expeditionary Units will still deploy as part of Naval Expeditionary Strike Groups in support of Combatant Commander requirements. Units will continue to rotate to Okinawa and Iwakuni Japan, and some of those forces will further deploy in support of Operation IRAQI FREEDOM II. While the operational tempo remains high, recruiting and retention continue to exceed our goals. We are monitoring the health of our Service, and we are focused on ensuring that the Marine Corps remains ready for all current and future responsibilities.

III. TAKING CARE OF OUR OWN

Events of the past year continue to highlight the value of the individual Marine over all other weapon “systems.” While we always strive to provide our Marines with the best equipment and weapons, we never forget that people and leadership are the foundations of the Marine Corps’ readiness and warfighting capabilities. Operation IRAQI FREEDOM demonstrated that the Marine Corps’ recruiting, training, and education of the force are extremely successful in maintaining the high standards of military readiness our Nation requires. The Marine Corps remains committed to taking care of our Marines, their families, and our civilian Marines.

Marines

End Strength. The Marine Corps is assimilating the Congressionally authorized increase in Marine Corps end-strength to 175,000. The increase of 2,400 Marines previously authorized by Congress addressed an urgent need to train and maintain enough Marines for the long-term requirements associated with the Global War on Terrorism. It has been particularly important in enabling us to provide the Nation with a robust, scalable force option specifically dedicated to anti-terrorism — the 4th Marine Expeditionary Brigade (Anti-Terrorism).

The Marine Corps is expeditionary by nature and therefore accustomed to deploying in support of contingency and forward presence missions. We are structured in such a way as to satisfy our enduring requirements and meet operational contingencies as long as the contingencies are temporary in nature. While the force is stretched, we are meeting our current challenging operational commitments. Our high operational and personnel tempos have not

negatively impacted accessions or retention efforts; however, we continue to monitor both very closely.

Recruiting. Sustaining our ranks with the highest quality young men and women is the mission of the Marine Corps Recruiting Command. Recruiting Command has consistently accomplished this mission for more than eight years for enlisted recruiting and thirteen years for officer recruiting. This past year the Marine Corps recruited over 100 percent of its goal with over 97 percent Tier I High School graduates. In order to continue attracting America's finest youth, Recruiting Command provides its recruiters the best tools available to accomplish their mission.

The Marine Corps Reserve achieved its Fiscal Year 2003 recruiting goals with the accession of 6,174 Non-Prior Service Marines and 2,663 Prior Service Marines. With regard to our reserve component, officer recruiting and retention to fill out the requirements of our Selected Marine Corps Reserve units remains our most challenging concern. This is primarily due to the fact that we recruit Reserve officers almost exclusively from the ranks of those who have first served a tour as an active duty Marine officer and currently the Corps is experiencing a low attrition rate for company grade officers in our active force. We are attempting to alleviate this challenge. Two successful methods include increasing awareness of the benefits of service in the Reserves to the company grade officers who are leaving the active ranks and reserve officer programs for qualified enlisted Marines.

Retention. Retaining the best and the brightest Marines is a constant goal; history has proven that superb leadership in the staff noncommissioned officer ranks is a major contributor to the Corps' combat effectiveness. The ranks of this elite group of leaders can only be filled by retaining our best enlisted Marines. The Marine Corps has two retention measures and both clearly indicate healthy service continuation rates. Our First Term Alignment Plan (first tour) has consistently achieved its reenlistment requirements over the past nine years. With just over one-third of the current Fiscal Year completed, we have achieved 76 percent of our first-term retention goal. Furthermore, our Subsequent Term Alignment Plan (second tour and beyond) reveals that we have already retained 47 percent of our goal for this Fiscal Year.

Current officer retention is at a nineteen year high, continuing a four-year trend of increasing retention. Despite the increased retention overall, certain Military Occupational Specialties perennially suffer high attrition. We are attempting to overcome this challenge by

offering continuation pay for those Marines with Military Occupational Specialties that include special qualifications and skills. Military compensation that is competitive with the private sector provides the flexibility required to meet the challenge of maintaining stability in manpower planning.

Marine Corps Reserve. In 2003, the Marine Corps Reserve rapidly mobilized combat ready Marines to augment and reinforce the active component. Marine Corps Reserve activations in support of Operation IRAQI FREEDOM began in January 2003, and peaked at 21,316 Reserve Marines on active duty in May 2003. This represented 52 percent of the Selected Marine Corps Reserve (SMCR). Of the approximately 6,000 Reservists currently on active duty, over 1,300 Individual Mobilization Augmentees, Individual Ready Reserves, and Retirees fill critical joint and internal billets. As of January 2004, the Marine Corps Reserve began activating approximately 7,000 SMCR Marines in support of Operation IRAQI FREEDOM II. Judicious employment of Reserve Marines remains a top priority of the Marine Corps to ensure the Marine Corps Reserve maintains the capability to augment and reinforce the active component. Marine Corps Reserve units and individuals are combat ready and have rapidly integrated into active forces commands demonstrating the effectiveness of the Total Force Marine Corps.

A strong Inspector-Instructor system and a demanding Mobilization and Operational Readiness Deployment Test program ensured Marine Corps Reserve units achieved a high level of pre-mobilization readiness. Marine Reserve Units continuously train to a C1/C2 readiness standard, eliminating the need for post-mobilization certification. Ninety-eight percent of SMCR Marines called up for duty reported for mobilization and less than one percent requested a deferment, delay, or exemption. The Marine Corps Reserve executed a rapid and efficient mobilization with units averaging six days from notification to being deployment-ready, and 32 days after receiving a deployment order they arrived in theater. Many activated Marine Reserve units were ready to deploy faster than strategic lift could be provided.

Building on the important lessons of the last year, the Marine Corps is pursuing several transformational initiatives to enhance the Reserves' capabilities as a ready and able partner with our active component. These pending initiatives include: increasing the number of Military Police units in the reserve component; establishing a Reserve Intelligence Support Battalion to include placing Reserve Marine Intelligence Detachments at the Joint Reserve Intelligence

Centers; returning some of our Civil Affairs structure to the active component to provide enhanced planning capabilities to the operational and Service Headquarters; and, introducing an improved Individual Augmentee Management Program to meet the growing joint and internal requirements.

When called, the Marine Corps Reserve is ready to augment and reinforce. Our Reserve Marines are a vital and critical element of our Total Force. The training, leadership, and quality of life of our reserve component remain significant Marine Corps priorities.

Marine For Life. The commitment to take care of our own includes a Marine's transition from active service back to civilian life. The Marine For Life Program's mission is to provide sponsorship for our more than 27,000 Marines who honorably leave active service each year. The program was created to nurture and sustain the positive, mutually beneficial relationships inherent in our ethos, "Once a Marine, Always a Marine." In cities across the United States, Reserve Marines help transitioning Marines and their families get settled in their new communities. Sponsorship includes assistance with employment, education, housing, childcare, veterans' benefits, and other support services needed to make a smooth transition. To provide this support, Marine For Life taps into the network of former Marines and Marine-friendly businesses, organizations and individuals willing to lend a hand to a Marine who has served honorably.

Initiated in Fiscal Year 2002, the program will reach full operational capability in Fiscal Year 2004. In addition to 110 Reserve Marines serving as "Hometown Links," an enhanced web-based electronic network, easily accessed by Marines worldwide, will support the program. The end state of the Marine For Life Program is a nationwide Marine and Marine-friendly network available to all Marines honorably leaving active service, that will improve their transition to civilian life.

Civilian Marines

Civilian Workforce Campaign Plan. Recognizing that our Civilian Marines are integral to the success of military operations, General James L. Jones, the 32nd Commandant of the Marine Corps, charged our senior Marine Corps officials with the development and implementation of a strategic 5-year plan for the recruitment, development, and retention of our Civilian Marines. The Civilian Workforce Campaign Plan (CWCP) consists of six strategic

goals: 1) nurture, build, and grow Civilian Marines; 2) provide flexible career opportunities; 3) create leaders at all levels; 4) improve the performance evaluation system; 5) strengthen workforce management expertise; and 6) establish an integrated Total Force management approach. As Commandant, I have provided the following additional implementing guidance.

Our vision is to make the Marine Corps the employer of choice for a select group of civilians imbued with the Marine Corps values of honor, courage, and commitment. Through implementation of the CWCP, we will not only define what the Marine Corps will offer its Civilian Marines, but what the Corps expects from them. We will attract, nurture, build, and grow Civilian Marines by providing innovative recruitment, development, retention, reward, and acculturation programs throughout the work-life cycle.

National Security Personnel System. We want to take this occasion to thank again the committee and the Congress for enacting the National Security Personnel System (NSPS) in the fiscal year 2004 National Defense Authorization Act. The Act authorized a more flexible civilian personnel management system for the Department that allowed the Department to be a more competitive and progressive employer at a time when our national security demands a highly responsive system of civilian personnel management. The legislation ensures that merit system principles govern any changes in personnel management, whistleblowers are protected, discrimination remains illegal, and veterans' preference is protected. The Department will collaborate with employee representatives, invest time to try and work out our differences, and notify Congress of any differences before implementation. In January, Department officials met with union representatives to begin the development of a new system of labor-management relations. Later this year, following an intensive training program for supervisors, managers, human resources specialists, employees, as well as commanders and senior management, the Department plans to begin implementing NSPS. The Marine Corps, along with the entire Department of the Navy, expects to be in the first wave of implementation.

Military-Civilian Conversions. The Marine Corps will continue to actively pursue a review of all functional areas within the Marine Corps in an effort to return more Marines to the operating forces. Through Fiscal Year 2003, we have returned over 2,000 manned structure spaces to the operating forces, and we will return approximately 650 more Marines in Fiscal Year 2004. The Fiscal Year 2005 President's Budget converts roughly an additional 1,400 more

billets from Marines to Civilian Marines, which will provide us more options to increase manning in the operating forces.

Education

Amid today's uncertain, volatile security environment, our most effective weapon remains the individual Marine who out-learns, out-thinks, and out-fights any adversary. Such warfighting competence is secured only through intellectual development. Recent events demonstrated how quality education instills confidence in Marines. Our educational standards and programs produce innovative leaders who take initiative and excel during challenging situations involving uncertainty and risk. These high educational standards are inculcated by the Marine Corps University and are designed to target every rank in both our active and reserve forces. Each year the Marine Corps University student population includes members of the other armed services, various government agencies as well as dozens of international military officers from over thirty different countries.

The Marine Corps endeavors to provide its Marines with 'lifelong learning' opportunities through a variety of educational programs, college courses, and library services on our bases and stations. Furthermore, distance learning programs through the Marine Corps University make continuing education available to Marines regardless of their location. In addition, the Marine Corps will continue to fully fund the Tuition Assistance Program in accordance with the Department of Defense guideline — funding for 100 percent of tuition cost up to \$250 per semester hour with a maximum of \$4,500 per year. In Fiscal Year 2003, there were 25,662 Marines enrolled in almost 80,000 courses with the help of the Tuition Assistance Program.

Joint Initiatives. The Marine Corps synchronizes its educational objectives with those of the other armed services in order to provide Regional Combatant Commanders with the most capable joint force. We support the proposal for a Joint Advanced Warfighting School (JAWS) and for broadening Joint Professional Military Education (JPME) opportunities for the Total Force. By working closely with Joint Forces Staff College and our sister services, JAWS has the potential to empower future combatant commanders with talented officers who are experienced in campaign planning. Intent on broadening our joint experience base, the Marine Corps is pursuing an accredited advanced joint curriculum (JPME Phase II) at the Marine Corps War

College and will continue to work to provide JPME opportunities for both active and reserve components.

Senior Leader Development Program. The Senior Leader Development Program was developed last year to address General Officer and Senior Executive Service career development and to link education opportunities to career progression. A study was commissioned to identify the competencies required in each of our general officer billets in an effort to link core and complimentary curriculum with the assignment process. Within the core curriculum, senior leaders will attend the Joint Warfare series of courses as prerequisites by rank and billet while they study innovation, business transformation, and resource management through complementary courses.

Quality of Life/Quality of Service

The Marine Corps works to improve the quality of life for Marines and their families in order to continue the success of the all volunteer force. We provide excellent quality of life programs and services, while also helping new Marines to better understand what to expect in the military lifestyle. We continuously assess, through a variety of means, the attitudes and concerns of Marines and their families regarding their quality of life expectations. With 67 percent of our Marines deployed away from their home installations at the height of Operation IRAQI FREEDOM, we carefully captured lessons learned to ensure quality of life programs meet the needs of deployed Marines and families who remain at home. Community and Family Assistance Centers were established at Camp Lejeune, Camp Pendleton, Marine Corps Air Station Miramar, and Marine Corps Base Twentynine Palms to provide Marine family members and loved ones access to relevant information and referral services.

To further help Marines and their families before, during, and after deployments, the Marine Corps implemented *Marine Corps Community Services (MCCS) One Source*, a Marine Corps-conducted, Department of Defense funded pilot program providing around-the-clock information and referral services. *MCCS One Source* is especially useful to our activated Marine Reserves and their families as they negotiate the requirements and procedures associated with utilization of military programs such as TRICARE and other benefit services. In recognition of the importance of the transition home after deployments for both Marines and their families, the Marine Corps developed a standardized return and reunion program consisting of a mandatory

warrior transition brief for returning Marines, a return and reunion guidebook for Marines and family members, a caregiver brief, and briefs designed for spouses.

We greatly appreciate the supplemental appropriations bills during 2003, that contained additional help for deployed Marines and their families. In 2004, quality of life efforts will continue to focus on issues related to supporting deployed forces and their families.

Safety

Safety programs are vital to force protection and operational readiness. Marine leaders understand the importance of leadership, persistence, and accountability in the effort to reduce mishaps and accidents. The Fiscal Year 2003 off duty and operational mishap rates were driven upward by the mishaps that occurred during and post Operation IRAQI FREEDOM, while the aviation mishap rate decreased. To meet the Secretary of Defense's challenge to all Services to reduce mishaps by 50 percent in two years, the Marine Corps is focusing on initiatives that deal particularly with the development of strategies and specific interventions to reduce all mishaps. Our leadership at every level understand the challenge, and we are actively involved in the effort to safeguard our most precious assets — Marines and Sailors.

IV. BUILDING ON SUCCESS FOR THE FUTURE

The Marine Corps, in partnership with our Navy brethren, provides our Nation with unrivaled maritime power to help secure peace and promote our national interests. The President's Fiscal Year 2005 budget, together with your support, will provide a strong foundation for our continued success. The Fiscal Year 2005 budget – predicated on a peacetime operational tempo – sustains a high level of readiness and ensures our ability to rapidly respond to emerging situations. It also allows us to assimilate new technologies and explore new concepts that will help realize the full potential of our people and their equipment. We will continue to seek improved means to increase the efficiency of our investments and increase the combat effectiveness of our forces.

Technology and Experimentation

The Marine Corps has a long history of innovation and adaptation. Experimentation is our principle means to explore new ideas and technologies in order to develop new capabilities

to overcome emerging challenges. The Marine Corps Combat Development Command has realigned its experimentation program around the Sea Viking campaign. This campaign will explore both concept and prototype technology development pathways leading to the sea-based expeditionary capabilities envisioned for the future, to include forcible entry from the sea. The Sea Viking campaign is complementary to the joint concept development and experimentation campaign of Joint Forces Command and the Navy's Sea Trial experimentation process. As an integral part of this effort, the Marine Corps is refining the expeditionary combat capabilities best suited to participate in future Expeditionary Strike Group and Expeditionary Strike Force operations. It is also exploring the potential for an expanded Seabasing capability in support of future joint operations.

The Marine Corps Warfighting Laboratory has experimented with several new pieces of equipment to enhance individual and small unit effectiveness. Based on successful experimentation, limited numbers of the M16A4 Modular Weapons System, Rifle Combat Optic, and the Integrated Intra Squad Radio were fielded for use during Operation IRAQI FREEDOM. The Marine Corps continues to seek enhanced capabilities for the future as we continue to improve and transform the force. In addition, we have procured sufficient quantities of the Outer Tactical Vest and its Small Arms Protective Insert plates to ensure all Marines participating in Operation IRAQI FREEDOM II are equipped with enhanced ballistic protection.

New Concepts and Organizations

The Expeditionary Force Development System implemented this past year is a methodological process that is designed to facilitate the development and realization of military operational concepts. It is a streamlined and integrated system that covers all phases of concept development to the acquisition of necessary equipment and weapons systems. The Expeditionary Force Development System proved to be of great value to our forces engaged in combat operations and is proving to be a helpful means of ensuring that the Marine Corps quickly profits from recent operational experiences. The system is compatible with and supports naval and joint transformation efforts as it integrates transformational, modernization, and legacy capabilities and processes. Several emerging concepts and organizational structures are maturing that will benefit the Marine Corps and ensure we can meet the future demanding requirements of the Combatant Commanders.

The Seabasing Concept. Seabasing, envisioned as a National capability, is our overarching transformational operating concept for projecting and sustaining multi-dimensional naval power and selected joint forces at sea. As stated by the Defense Science Board in its August 2003 Task Force report: "Seabasing represents a *critical future joint military capability* for the United States." It assures joint access by leveraging the operational maneuver of forces globally from the sea, and reduces joint force operational dependence upon fixed and vulnerable land bases. Seabasing unites our capabilities for projecting offensive power, defensive power, command and control, mobility and sustainment around the world. This will provide our Regional Combatant Commanders with unprecedented versatility to generate operational maneuver. Seabasing will allow Marine forces to strike, commence sustainable operations, enable the flow of follow-on forces into theater, and expedite the reconstitution and redeployment of Marine forces for follow-on missions. As the core of Naval Transformation, Seabasing will provide the operational and logistical foundation to enable the other pillars of Naval Transformation (Sea Strike, Sea Shield, Sea Base, and FORCEnet).

This year, the Marine Corps has continued to refine plans for the Marine Expeditionary Brigade of 2015, in concert with our concept for sea-based operations. Similarly, the Analysis of Alternatives for our Maritime Prepositioning Force (Future), a critical component of Seabasing, will provide valid choices for achieving Seabasing capabilities. These initiatives will complement, rather than replace, the amphibious lift and forcible entry capacity of the LHA(R), LPD-17, and LHD, and will provide the Nation a deployment and employment capability unmatched in the modern world.

Expeditionary Strike Groups. The Marine Corps and Navy continue the series of experiments that will refine the Expeditionary Strike Group concept. This concept will combine the capabilities of surface action groups, submarines, and maritime patrol aircraft with those of Amphibious Ready Groups and enhanced Marine Expeditionary Units (Special Operations Capable) to provide greater combat capabilities to Regional Combatant Commanders. Navy combatants are incorporated within the existing training and deployment cycle of the Amphibious Ready Group. Further experimentation will also allow us to test command-and-control arrangements for the Expeditionary Strike Group (ESG). We will soon complete the pilot deployment in this series, ESG-1, composed of West Coast Navy and Marine forces. The ESG-2, composed of East Coast Navy and Marine forces, will deploy later this year. Currently,

the Marine Corps Combat Development Command is working with Navy and Marine operating forces to capture critical information from these experimental deployments to ensure that the ESG capability thoroughly integrates doctrine, organization, training, materiel, leadership, education, personnel, and facilities. Also, the Marine Corps Combat Development Command is working with the Navy to develop the concept for the employment of the additional capabilities that the ESG provides Regional Combatant Commanders. Finally, the Center for Naval Analyses is evaluating the series of experiments through embedded analysts deployed with both ESGs and will submit their consolidated reports to the Navy and Marine Corps in October 2004.

Marine Corps – U.S. Special Operations Command Initiatives. The Marine Corps continues to aggressively improve interoperability with Special Operations Forces. The U.S. Special Operations Command-Marine Corps Board has developed over 30 initiatives to support our interoperability goals. The Marine Corps and U.S. Special Operations Command are working to leverage existing pre-deployment and deployment training as a means to “operationalize” our relationship. Our deploying Marine Expeditionary Units (Special Operations Capable) exchange liaison officers with the Theater Special Operations Commands as the Marine Expeditionary Units deploy within the various theaters. On June 20, 2003, a Marine Corps “proof of concept” Detachment that is task organized to complement U.S. Special Operations Command mission areas in Direct Action, Special Reconnaissance, Coalition Support and Foreign Internal Defense formally stood up at Camp Pendleton, California. The Detachment transferred to the operational control of U.S. Special Operations Command last December, to facilitate joint pre-deployment training and is scheduled to deploy in April 2004, with a Naval Special Warfare Squadron supporting U.S. Central Command. Finally, we are conducting joint training with U.S. Special Operations Command in the areas of fixed and rotary wing air support of special operation missions.

Reestablishment of Air-Naval Gunfire Liaison Companies. During this past summer the Marine Corps reestablished an Air-Naval Gunfire Liaison Company in I Marine Expeditionary Force and another in the II Marine Expeditionary Force. These companies provide teams that specialize in all aspects of fire support – from terminal control to support of division fire support coordination centers. They greatly enhance Marine Air-Ground Task Force Commanders’ liaison capability – with foreign area expertise – to plan, coordinate, employ, and conduct terminal control of fires in support of joint, allied, and coalition forces. Each company

will be fully stood up by this summer, and a separate platoon will be stood up in III Marine Expeditionary Force in October 2004.

Tactical Aircraft Integration. Naval Tactical Aircraft (TacAir) Integration makes all Naval Strike-Fighter aircraft available to meet both Services' warfighting and training requirements. As part of the TacAir Integration plan, a Marine Fighter-Attack squadron will eventually be attached to each of the ten active Carrier Air Wings and will deploy aboard aircraft carriers. In addition, three Navy Strike-Fighter squadrons will be assigned into the Marine Corps' Unit Deployment Program for land-based deployments. Force structure reductions associated with this plan should result in a total cost savings and cost avoidance of over \$30 billion. The integration of the fifth Marine squadron into a Carrier Air Wing and the first Navy squadron into the Unit Deployment Program are scheduled for later this year.

TacAir Integration retains our warfighting potential and brings the Naval Services a step closer to the flexible sea based force we envision for the future. A leaner, more efficient naval strike-fighter force is possible because of three underlying factors. The first factor is 'Global Sourcing' — the ability to task any non-deployed Department of Navy squadron to either Service's missions, allowing for a reduction in force structure. Second, 'Level Readiness' — applying the proper resources to training, maintenance, and modernization, will ensure the smaller force is always capable of responding to the Services' and Nation's needs. Third, the development of an operational concept that will efficiently manage the employment of this integrated strike-fighter force within the naval and joint context. Support of readiness accounts, modernization programs, and our replacement of the F/A-18 and AV-8B with the Short Takeoff and Vertical Landing (STOVL) Joint Strike Fighter will ensure the potential promised by this integration.

Better Business Practices

The Secretary of Defense and Secretary of the Navy have emphasized, and the Marine Corps is committed to, business transformation in order to optimize resource allocation. The Marine Corps is employing a variety of business transformation initiatives including: competitive sourcing of over 3,500 commercial billets to save \$57 million annually; outsourcing garrison food service in our mess halls in the continental United States in to free up 594 Marines for other duties; using public-private ventures to fund new family housing and to increase the

quantity of safe, comfortable, and affordable homes; consolidation of equipment maintenance from five to three echelons in order to improve maintenance effectiveness and efficiency; and, regionalizing garrison mobile equipment to realign Marines and dollars with higher priorities. The Marine Corps continues to develop its activity based costing capability in order to support fact based decision making.

In March 2003, the Marine Corps began participation in the Navy Marine Corps Intranet (NMCI) — a network outsourcing initiative that will provide a common end-to-end Department of Navy information system capability for voice, video, and data communications. By outsourcing information technology services not considered to be core competencies, the Marine Corps has been able to return 355 supporting establishment personnel structure spaces to the operating forces. As a result of this improved business practice, the NMCI operating environment will promote greater naval interoperability. The Marine Corps will continue to refine our business practices and increase the effectiveness of warfighting potential.

V. OUR MAIN EFFORT – EXCELLENCE IN WARFIGHTING

Training

Training at Eglin Air Force Base. In anticipation of the cessation of naval expeditionary forces training in Vieques, Puerto Rico, efforts began in September 2002 to establish a new training capability at Eglin Air Force Base (AFB). Training at Eglin AFB is envisioned to provide a near term pre-deployment training capability for East Coast Navy Amphibious Ready Groups/Expeditionary Strike Groups and Marine Expeditionary Units (Special Operations Capable), with the potential to be part of the long-term solution. The training concept was designed for up to two 10-day training periods per year. The long-term objective is that during each 10-day event, the Expeditionary Strike Groups will be able to conduct the full spectrum of training required. The Marine Corps has invested approximately \$4.2 million in environmental assessment/mitigation and infrastructure development required to establish an initial training capability at Eglin AFB.

In December 2003, the Marine Corps completed its first 10-day training period at Eglin AFB, at an additional cost of approximately \$1 million. The Marine Corps is assessing the quality the training offered at Eglin AFB while continuing to explore and develop other options, both within the United States and abroad. While Eglin AFB has the potential for enhanced live

fire and maneuver training, developing this capability will require a significant investment by the Department of the Navy and Department of Defense to upgrade existing facilities.

Joint National Training Capability. As described by the Deputy Secretary of Defense: "The centerpiece of our Training Transformation effort will be a Joint National Training Capability." The Joint National Training Capability is one of the three pillars of Training Transformation, and will improve joint interoperability by adding certified 'joint context' to existing Service training events. The Joint National Training Capability is a cooperative collection of interoperable training sites, nodes, and events that synthesizes Combatant Commander and Service training requirements with the appropriate level of joint context.

The first in a series of pre-Initial Operational Capability Joint National Training Capability exercises was held in January 2004, linking a Marine Corps Combined Arms Exercise with live Close Air Support sorties, a Navy Stand-off Land Attack Missile Exercise, an Army rotation at the National Training Center, and an Air Force Air Warrior Exercise. The Marine Corps will be actively involved in future Joint National Training Capability exercises including Combined Arms Exercises and Marine Aviation Weapons and Tactics Squadron-1 evolutions scheduled for Fiscal Year 2005. The Marine Corps is fully engaged in the Joint National Training Capability program development, and is on track to enhance Service core-competency training with the appropriate level of joint context. In concert with the other Services, the Marine Corps is working with Joint Forces Command to refine the phrase "joint context," certify ranges, and accredit exercises to ensure the force is training properly.

Infrastructure

Blount Island Facility. The acquisition of the Blount Island facility in Jacksonville, Florida, is critical to our Nation and to our Corps' warfighting capabilities. Blount Island's peacetime mission is to support the Maritime Prepositioning Force. Its wartime capability and capacity to support massive logistics sustainment from the continental United States gives it strategic significance. The Blount Island facility has a vital role in the National Military Strategy as the site for maintenance operations of the Maritime Prepositioning Force. The Marine Corps thanks Congress for your role in supporting this acquisition project. Phase II, funded by the \$115.7 million appropriated in the Defense Authorization Act of 2004, gives the Marine Corps

ownership of the leased maintenance area and supporting dredge disposal site consisting of 1,089 acres.

Encroachment. We are grateful to Congress for providing a tool to facilitate the management of incompatible developments adjacent to or in close proximity to military lands. We are working with state and local governments and with non-governmental organizations such as the Trust for Public Lands, The Nature Conservancy, the Sierra Club, and the Endangered Species Coalition to acquire lands buffering or near our bases including Camp Lejeune, Marine Corps Air Station Beaufort, and Camp Pendleton. In return for our investment, the Marine Corps is receiving restrictive easements that ensure lands acquired remain undeveloped and serve as buffer zones against future encroachment on our bases.

We are also grateful to Congress for codifying legislation that gives us the opportunity to partner with the U.S. Fish and Wildlife Service and State fish and game agencies in order to manage endangered species present on military lands. Management via our Integrated Natural Resources Management Plans, which we prepare in partnerships with these agencies, allows us to protect and enhance populations of these species on our lands while allowing Marines to train. Finally, we support the Secretary of Defense's efforts to provide flexibility under the Clean Air Act and to clarify the governing authorities under which DoD would manage operational ranges. The Marine Corps strives to be a good environmental steward and the growing number of endangered species on our lands and their increasing populations are examples of our successes. We remain committed to protecting the resources entrusted to us by the American people.

Base Realignment and Closures. A successful Base Realignment and Closure process, resulting in recommendations in 2005, is critically important to the Nation, the Department of Defense, and the Department of Navy. By eliminating excesses and improving efficiencies, the armed services will achieve a transformation of our infrastructure in the same way we are achieving a transformation of our forces. Recommendations will be developed only after a thorough and in-depth review.

Command and Control

Naval expeditionary warfare will depend heavily on the ability of the forces to share linked and fused information from a common source which will, in turn, ensure command and control of widely dispersed forces. Exploiting the use of space, ground and aerial platforms

requires a networked, protected, and assured global grid of information. Leveraging command and control technology to improve our interoperability continues to be our focus of effort.

Advances in technology and a need to leverage existing infrastructure requires us to establish a new Information Technology (IT) framework — one that is more reliable, efficient, secure, and responsive. This new IT framework must provide enhanced information access and improved information services to the operating forces. By streamlining the deployment of IT tools and realigning our IT resources, the Marine Corps Enterprise IT Services will shift the burden away from the operating forces by establishing a new IT environment. This IT environment will fuse and integrate Department wide, net-centric enterprise services to provide a common set of sharable IT services to the entire Marine Corps. By eliminating individual organizations providing duplicative and redundant services, we will reduce the IT burden on the operating forces through enterprise provided IT services, and improve our ability to process information and enhance the speed of decision-making.

Intelligence

Our Fiscal Year 1996 through Fiscal Year 2004 enhancements to Marine intelligence improved the intelligence capability within Marine units and established a “reach-back” intelligence production capability between forward deployed units and our Marine Corps Intelligence Activity in Quantico, Virginia. These improvements are proving to be remarkably beneficial to our efforts in Operation IRAQI FREEDOM and Operation ENDURING FREEDOM. Marine intelligence is concurrently supporting ongoing operations, preparing for near term operations, and transforming our intelligence systems to meet future warfighting requirements. Marine Intelligence Specialists have provided significant contributions to ongoing operations in Iraq, Afghanistan, and Djibouti and will play a crucial intelligence role as Marine Forces return to Iraq in larger numbers this year. Before again deploying to Iraq, we will train over 400 Marines in basic Arabic to aid in our efforts to work with the Iraqis at the patrol level, and we will provide enhanced language training for some of our Arabic heritage speakers and others trained linguists to increase our operational influence and effectiveness. Meanwhile, we prepare for future conflicts by ensuring that our intelligence training and systems funded in the Fiscal Year 2005-2009 program incorporate the latest technological advances and become more

capable of seamless interoperability with the systems used by other armed services and national agencies.

Mobility

As preliminary assessments of operations in Iraq highlight, operational and tactical mobility are essential to overcome the current range of threats. The ability to rapidly respond and then flexibly adapt to a changing situation is critical to address future challenges. Increasing the speed, range, and flexibility of maneuver units that are enhanced by logistical power generated from the sea, will increase naval power projection. The following initiatives are vital to achieve greater operational mobility:

MV-22 Osprey. The MV-22 remains the Marine Corps' number one aviation acquisition priority. While fulfilling the critical Marine Corps medium lift requirement, the MV-22's increased range, speed, payload, and survivability will generate truly transformational tactical and operational capabilities. With the Osprey, Marine forces operating from a sea base will be able to take the best of long-range maneuver and strategic surprise, and join it with the best of the sustainable forcible-entry capability. Ospreys will replace our aging fleets of CH-46E Sea Knight and CH-53D Sea Stallion helicopters.

KC-130J. Continued replacement of our aging KC-130 fleet with KC-130J aircraft is necessary to ensure the viability and deployability of Marine Corps Tactical Air and Assault Support well into the 21st Century. Acquisition of the KC-130J represents a significant increase in operational efficiency and enhanced refueling and assault support capabilities for the Marine Corps. The KC-130J provides the aerial refueling and assault support airlift resources needed to support the Osprey, the Joint Strike Fighter, and the Marine Air-Ground Task Force and Joint Force Commanders.

Expeditionary Fighting Vehicle (EFV). The EFV, formerly known as the Advanced Amphibious Assault Vehicle (AAAV), will provide Marine surface assault elements the requisite operational and tactical mobility to exploit fleeting opportunities in the fluid operational environment of the future. Designed to be launched from Naval amphibious shipping from over the horizon, the EFV will be capable of carrying a reinforced Marine rifle squad at speeds in excess of 20 nautical miles per hour in sea state three. This capability will reduce the vulnerability of our naval forces to enemy threats by keeping them well out to sea while

providing our surface assault forces mounted in EFVs the mobility to react to and exploit gaps in enemy defenses ashore. Once ashore, EFV will provide Marine maneuver units with an armored personnel carrier designed to meet the threats of the future. EFV will replace the aging Assault Amphibious Vehicle (AAV). With its high speed land and water maneuverability, highly lethal day/night fighting ability, and advanced armor and Nuclear Biological and Chemical protection, the EFV will significantly enhance the lethality and survivability of Marine maneuver units and provide the Marine Air Ground Task Force and Expeditionary Strike Group with increased operational tempo across the spectrum of operations.

Power Projection Platforms. Combined with embarked Marines, amphibious warships provide our Nation with both a forward presence and a flexible crisis response force. These power projection platforms give decision-makers immediately responsive combat options. As the Seabasing concept matures, enhanced naval expeditionary forces will be optimized to provide a full spectrum of capabilities.

Inherent in the Sea Strike pillar of the Seabasing concept is the ability to both strike with fires from the sea base and from units maneuvering within the littoral region. The dilemma that these two offensive capabilities impose on an enemy and the multitude of options they create for our leadership increase our ability to achieve success effectively and efficiently. The built-in flexibility and survivability of amphibious ships coupled with their combat sustainment capability ensure the rapid achievement of a full range of offensive operations that either allow us to accomplish operational objectives directly or enable us to set the conditions for major joint operations. The ability to defeat an anti-access strategy – before it is completed or even once it is developed – is vital to our national security objectives.

The LPD 17 class amphibious ships, currently planned or under construction, represent the Department of the Navy's commitment to a modern expeditionary power projection fleet. These ships will assist our naval forces in meeting the fiscally-constrained programming goal of lifting 2.5 Marine Expeditionary Brigade (MEB) Assault Echelons (AEs). The lead ship detail design has been completed and the construction process is over 80 percent, complete with a successful launch in July 2003. Production effort is focused on meeting test milestones for a November 2004 delivery. Construction of LPD 23 has been accelerated from Fiscal Year 2006 to Fiscal Year 2005, leveraging Fiscal Year 2004 Advance Procurement resources provided by

Congress. LPD 17 replaces four classes of older ships-the LKA, LST, LSD, and the LPD-and is being built with a 40-year expected service life.

LHAs 1-5 reach their 35-year service life at a rate of one per year in 2011-15. LHD-8 will replace one LHA when it delivers in Fiscal Year 2007. In order to meet future warfighting requirements, the Navy and Marine Corps leadership is evaluating LHA (Replacement) LHA(R) requirements in the larger context of Joint Seabasing, power projection, the Global War On Terrorism, and lessons learned from Operations ENDURING FREEDOM and IRAQI FREEDOM. The resulting platform will provide a transformational capability that is interoperable with future amphibious and Maritime Preposition Force ships, high-speed connectors, advanced rotorcraft like the MV-22, Joint Strike Fighter, and Expeditionary Fighting Vehicles.

Maritime Pre-positioning Force. The leases on the current Maritime Prepositioning Ships begin to expire in 2009. The Maritime Prepositioning Force (Future) – MPF(F) -- will be a key enabler to sea-based operations. It will allow us to better exploit the maneuver space provided by the sea to conduct joint operations at a time and place of our choosing. When the MPF(F) becomes operational, the maritime prepositioning role will expand far beyond its current capability to provide the combat equipment for a fly-in force. MPF(F) will serve four functions that the current MPF cannot: (1) at-sea arrival and assembly of units; (2) direct support of the assault echelon of the Amphibious Task Force; (3) long-term, sea-based sustainment of the landing force; and (4) at-sea reconstitution and redeployment of the force. The enhanced capabilities of these ships will significantly increase the capability of the Sea Base – in the Seabasing concept – to provide unimpeded mobility and persistent sustainment. This enhanced sea base will minimize limitations imposed by reliance on overseas shore-based support, maximize the ability of the naval elements of the joint force to conduct combat operations from the maritime domain, and enable the transformed joint force to exploit our Nation's asymmetric advantage of our seapower dominance. The ability to rapidly generate maneuver forces from this sea base will augment our forward presence and forcible entry forces, increasing the overall power and effect of the joint campaign. Acceleration of the lead MPF (F) from Fiscal Year 2008 to Fiscal Year 2007 in the Fiscal Year 2005 budget reflects an emphasis on Seabasing capabilities. The Fiscal Years 2005-2009 plan procures three MPF (F) ships and advanced construction for an MPF (F) Aviation variant.

High Speed Connectors. High Speed Connectors (HSC) possess characteristics that make them uniquely suited to support the Sea Base and sea-based operations. HSCs are unique in combining shallow draft, high speed and large lift capacity into a single platform. HSCs will help create an enhanced operational capability by providing commanders with a flexible platform to deliver tailored, scalable forces in response to a wide range of mission requirements. The range and payload capacity of HSCs, combined with their ability to interface with current and future MPF shipping and access austere ports greatly enhances the operational reach, tactical mobility, and flexibility of sea-based forces.

Mine Countermeasure Capabilities. There is a great need to continue the development of our mine countermeasure capabilities. A major challenge for the Navy-Marine Corps Team is ensuring the effective delivery of ground forces ashore when mines and other anti-access measures are employed in the surf zone or ashore beyond the high water mark. We are currently exploring with the Navy how the technology of Joint Direct Attack Munitions (JDAM) promises a short-term solution and may lead to a better long-term solution to the challenge of mines in the surf zone. Using unitary bombs, fuses, and JDAM tail kits, we have designed a mine countermeasure known as the JDAM Assault Breaching System, (JABS). Preliminary test results are showing promise as an interim solution for breaching surface laid minefields and light obstacles in the beach zones. Further testing and characterization of the JABS system is proceeding throughout Fiscal Year 2004 with tests against Surf Zone Mines and obstacles.

Some aspects of JABS development may lead to a long-term solution to the mine threat. One possible solution that is envisioned includes developing bomb-delivered darts that physically destroy buried mines in the Beach Zone and Surf Zone region. In addition, the Navy has adopted the Marine Corp Coastal Battlefield Reconnaissance and Analysis (COBRA) mine sensor system for the beach zone with a planned product improvement enhancement for COBRA called the Rapid Overt Airborne Reconnaissance (ROAR) that extends detection to the very shallow water and the surf zone regions by 2015. In addition, the Marine Corps seeks to improve breaching capability beyond the high water mark by developing both deliberate and in-stride breaching systems. These include the Advanced Mine Detector program and the Assault Breacher Vehicle program.

Fires and Effects

As events over the past year have demonstrated – and suggest for the future – the increased range and speed of expeditionary forces and the depth of their influence landward has and will continue to increase. To fully realize these capabilities the Nation requires a range of complementary, expeditionary lethal and non-lethal fire support capabilities. During Operation IRAQI FREEDOM, sixty AV-8B Harrier aircraft were based at-sea aboard amphibious shipping minimizing the challenge of airfield shortages ashore. This prelude to future sea-based operations was extremely successful with over 2,200 sorties generated – mostly in support of I Marine Expeditionary Force ground units. A key factor to this success was the employment of forward operating bases close to the ground forces which allowed the AV-8B to refuel and rearm multiple times before returning to their ships. In addition, the complementary capabilities of surface and air delivered fires were highlighted in this campaign. Further, the importance of both precision and volume fires was critical to success. Precision fires assisted in reducing both collateral damage and the demands on tactical logistics. I Marine Expeditionary Force also validated the requirement for volume fires in support of maneuver warfare tactics. These fires allow maneuver forces to take advantage of maneuver warfare opportunities before precision intelligence can be developed and precision fires can be employed against fleeting targets or rapidly developing enemy defensive postures.

Short Take Off Vertical Landing Joint Strike Fighter (STOVL JSF). The STOVL JSF will be a single engine, stealth, supersonic, strike-fighter capable of short take-offs and vertical landings. The aircraft is designed to replace the AV-8B and FA-18 aircraft in the Marine Corps inventory. The operational reliability, stealth, and payload capability designed into the STOVL JSF represents a great improvement in combat capability over existing legacy platforms. The aircraft is in the second year of a 10-12 year development program. The STOVL JSF force is integral to our future warfighting capabilities. Its design and capabilities will fulfill all Marine Corps strike-fighter requirements and better support the combined arms requirements in expeditionary operations. Continued support of the STOVL JSF is vital to the Marine Corps.

Indirect Fires Support. In response to identified gaps in our indirect fires capability, the Marine Corps undertook an effort to replace the aging M198 155mm towed howitzers and provide a full spectrum all-weather system of systems fires capability. Operations in Iraq

confirmed this requirement and the direction that the Marine Corps has undertaken. This system of systems will be capable of employing both precision and volume munitions.

The Lightweight 155mm howitzer (LW 155) is optimized for versatility, pro-active counter fire and offensive operations in support of light and medium forces. It supports Operational Maneuver from the Sea and replaces all M198's in the Marine Corps, as well as the M198's in Army Airborne, Light Units and Stryker Brigade Combat Teams. Compared to the current system, the LW 155 is more mobile, capable of more rapid deployment, more survivable, and more accurate. Initial operational capability is expected during Fiscal Year 2005, and a full operational capability will be reached three years later.

The High Mobility Artillery Rocket System (HIMARS) fulfills a critical range and volume gap in Marine Corps fire support assets by providing twenty-four hour, all weather, ground-based, responsive, General Support, General Support-Reinforcing, and Reinforcing indirect fires throughout all phases of combat operations ashore. HIMARS will be fielded in one artillery battalion of the active component and one battalion of the reserve component. An initial operational capability is planned for Fiscal Year 2007 with a full capability expected during Fiscal Year 2008. An interim capability of one battery during Fiscal Years 2005-2006 is also currently planned.

The Expeditionary Fire Support System (EFSS) is the third element of the triad of ground firing systems, and it will be the principal indirect fire support system for the vertical assault element. EFSS-equipped units will be especially well suited for missions requiring speed, tactical agility, and vertical transportability. The estimated Approved Acquisition Objective is eighty-eight systems. Initially, this provides eleven batteries to support our Marine Expeditionary Units (Special Operations Capable). Initial operational capability is planned for Fiscal Year 2006 and full operational capability is planned for Fiscal Year 2008.

Naval Surface Fire Support. An important element of our fires and effects capability will continue to be surface ships that provide direct delivery of fires from the sea base. Critical deficiencies currently exist in the capability of the Navy to provide all-weather, accurate, lethal and responsive fire support throughout the depth of the littoral in support of expeditionary operations. In the critical period of the early phases of the forcible entry operations when organic Marine Corps ground indirect fires are not yet or just beginning to be established, the landing force will be even more dependent on the complementary capability required of naval

surface fire support assets. To date, no systems have been introduced or are being developed which meet near or mid-term Naval Surface Fire Support requirements. The DD(X) destroyer – armed with two 155mm Advanced Gun Systems – continues to be the best long-term solution to satisfy the Marine Corps' Naval Surface Fire Support requirements. Our Nation's forcible entry, expeditionary forces will remain at considerable risk for want of suitable sea-based fire support until DD(X) joins the fleet in considerable numbers in 2020. Currently, the lead ship of this class will not be operational until Fiscal Year 2013. In addition, the Marine Corps is closely monitoring research into the development of electro-magnetic gun technology to support future range and velocity requirements. Electro-magnetic guns could potentially provide Naval Surface Fire Support at ranges on the order of 220 nautical miles, and could eventually be incorporated into ground mobile weapon systems like the future Expeditionary Fighting Vehicles as size, weight, and power technology hurdles are overcome.

H-1 (UH-1Y/AH-1Z). The current fleet of UH-1N utility helicopters and AH-1W attack helicopters is reaching the end of their planned service life and face a number of deficiencies in crew and passenger survivability, payload, power availability, endurance, range, airspeed, maneuverability, and supportability. The Department of the Navy has determined that the H-1 Upgrade Program is the most cost effective alternative that meets the Marine Corps' attack and utility helicopter requirements until the introduction of a new technology advanced rotorcraft aircraft. The H-1 Upgrade Program is a key modernization effort designed to resolve existing safety deficiencies, enhance operational effectiveness of both the UH-1N and the AH-1W, and extend the service life of both aircraft. Additionally, the commonality gained between the UH-1Y and AH-1Z (projected to be 84 percent) will significantly reduce life-cycle costs and logistical footprint, while increasing the maintainability and deployability of both aircraft. On 22 October 2003, the program to enter Low-Rate Initial Production (LRIP), and on 29 December 2003 the LRIP Lot 1 aircraft contract was awarded to Bell Helicopter.

Information Operations. The Marine Corps is exploring ways to ensure Marines will be capable of conducting full spectrum information operations, pursuing the development of information capabilities through initiatives in policy and doctrine, career force, structure, training and education, and programs and resources. Marine forces will use information operations to deny, degrade, disrupt, destroy or influence an adversary commander's methods, means or ability to command and control his forces.

New Weapons Technologies. The Marine Corps is particularly interested in adapting truly transformational weapon technologies. We have forged partnerships throughout the Department of Defense, other Agencies, and with industry over the past several years in an effort to develop and adapt the most hopeful areas of science and technology. Several notable programs with promising technologies include: (1) Advanced Tactical Lasers to potentially support a tactical gunship high energy laser weapon, (2) Active Denial System – a high-power millimeter-wave, non-lethal weapon, (3) Free Electron Lasers for multi-mission shipboard weapons application, and (4) various promising Counter Improvised Explosive Device technologies.

Logistics and Combat Service Support

Logistics Modernization. Since 1999, the Marine Corps has undertaken several logistics modernization efforts to improve the overall effectiveness of our Marine Air-Ground Task Forces as agile, expeditionary forces in readiness. Some of these initiatives have reached full operational capability or are on track for complete implementation. Applying the lessons learned from Operation IRAQI FREEDOM resulted in new initiatives concerning naval logistics integration, naval distribution, and the integration of the Combat Service Support Element with Marine Corps Bases.

The Marine Corps' number one logistics priority is the re-engineering of logistics information technology and the retirement of our legacy systems, which is described in the next section. The Marine Corps is working to enhance the integration of its distribution processes across the tactical through strategic levels of warfare, providing the warfighter a "snap shot" view of his needed supplies in the distribution chain to instantly locate specific items that are en route. This capability, described in the following section, will result in increased confidence in the distribution chain and will reduce both the quantity of reorders and the amount of inventory carried to support the war fighter.

Logistics Command and Control. The Global Combat Support System–Marine Corps is the Marine Corps' portion of the overarching Global Combat Support System Family of Systems as designated by the Joint Requirements Oversight Council and the Global Combat Support System General Officer Steering Committee. It is a Marine Corps acquisition program with the responsibility to acquire and integrate commercial off the shelf software in order to

satisfy the information requirements of commanders, as well as support the Marine Corps Logistics Operational Architecture. The Global Combat Support System–Marine Corps program will provide modern, deployable information technology tools for all elements of the Marine Air-Ground Task Force. Existing Logistics Information Systems used today in direct support of our Marine Air Ground Task Forces are either not deployable (mainframe based) or are deployable with such limited capability (tethered client server) that our commanders lack in-transit and asset visibility. Global Combat Support System–Marine Corps requirements include a single point of entry, web based portal capability to generate simple requests for products and services, logistics command and control capability to support the Marine Air Ground Task Force, and back office tools to assist in the management of the logistics chain. These capabilities will improve warfighting excellence by providing commanders with the logistics information they need to make timely command and control decisions. The key to improving the accuracy and visibility of materiel in the logistics chain is to establish a shared data environment.

End-to-End Distribution. The Marine Corps is aggressively pursuing standardization of the materiel distribution within the Marine Corps to include interfacing with commercial and operational-level Department of Defense distribution organizations. Furthermore, distribution processes and resources used in a deployed theater of operations need to be the same as those used in garrison. We strongly support United States Transportation Command's designation as the Department of Defense's Distribution Process Owner. In this capacity, United States Transportation Command can more easily integrate distribution processes and systems at the strategic and operational levels and provide the Department of Defense a standard, joint solution for distribution management. Materiel End-To-End Distribution provides Marine commanders the means to seamlessly execute inbound and outbound movements for all classes of supply while maintaining Total Asset and In-transit Visibility throughout the distribution pipeline.

VI. CONCLUSION

The Marine Corps remains focused on organizing, training, and equipping our forces to best support combatant commanders throughout the spectrum of combat. Incorporating recent experiences, increasing our forces' integration with joint capabilities, exploiting the flexibility and rapid response capabilities of our units, and preserving the adaptability of our Marines, will collectively lead to more options for the combatant commanders. The Marine Corps'

commitment to warfighting excellence and the steadfast support we receive from this Committee will lead to success in the Global War On Terrorism while helping to ensure America's security and prosperity.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 12, 2004

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Congress of the United States House of Representatives

Washington, DC 20515

February 2, 2004

ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS
SUBCOMMITTEE ON TOTAL FORCE

RESOURCES COMMITTEE

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SMALL BUSINESS COMMITTEE

SUBCOMMITTEE ON WORKFORCE
EMPLOYMENT AND GOVERNMENT PROGRAMS

The Honorable Donald H. Rumsfeld
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Rumsfeld:

I am writing to respectfully request your assistance in obtaining information concerning the U.S. Department of Defense (DoD) involvement in nuclear testing activities that were undertaken by the United States in the Pacific region during the 1940s and the 1950s. I seek this information so that I may be able to accurately and appropriately respond to serious concerns that have been raised by my constituency over radiation exposure and contamination in Guam from these activities.

The Pacific Association for Radiation Survivors (PARS) is leading an effort to investigate the radiation contamination. Enclosed is a report co-authored by Mr. Robert Celestial, President of PARS and an Atomic Veteran, entitled the *Blue Ribbon Panel Committee Action Report on Radioactive Contamination in Guam Between 1946-1958*, which addresses possible radioactive contamination. This report makes strong statements in support of the conclusion that nuclear radiation from U.S. nuclear tests in the Marshall Islands not only has reached Guam, but has had significant negative impacts on the health of Guam's environment and its people. While it primarily addresses direct nuclear fallout from the testing, it also raises the specific concern over contamination resulting from the wash down and decontamination of DoD ships in Guam's harbors and aircraft at Andersen Air Force Base.

Another concern with nuclear contamination resulting from an alleged nuclear submarine spill around the time frame of June 1990 or 1991 in Apra Harbor has been raised with me. Anecdotal evidence based on the incidence of cancers and birth defects has been invoked to support the conclusion that the people of Guam have been exposed to high levels of radiation.

The Honorable Donald H. Rumsfeld
February 2, 2004
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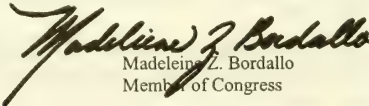
I believe these concerns warrant study and response by the Department of Defense. Therefore, I respectfully request your review of the enclosed report and the relevant supporting documentation. Your comments regarding the information that has been presented by this report and the conclusions that it supports would be helpful in addressing the serious concerns that have surfaced with the people of Guam.

I would also appreciate your response to the following questions and specific concerns:

1. What information, if any, does DoD have with respect to contamination in Guam that may have occurred as a result of the decontamination of vessels and aircraft exposed to radiation from nuclear tests? Were any such vessels or aircraft involved in or exposed to these nuclear tests later docked in, washed down, or transited near Guam?
2. To what extent, if any, has radioactive contamination occurred in Guam through activities of DoD? What information, if any, does DoD have regarding the alleged occurrence of a nuclear submarine spill in Apra Harbor occurring around 1990-1991?

I take these concerns of my constituents seriously. Your support in securing information about the possibility of radiation contamination resulting from DoD activities in the Pacific region is greatly appreciated. I look forward to continuing communication as we seek to resolve these questions.

Sincerely,


Madeleine Z. Bordallo
Member of Congress

Enclosure

**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

FEBRUARY 12, 2004



QUESTIONS SUBMITTED BY MR. HUNTER

The CHAIRMAN. Let me make one follow up on my colleague's statements with respect to the importance of homeland security and its integration with security interests. We have a fence on the border between the U.S. and Mexico that we built over the last several years, initially built to stop drive-through drug trucks that were coming through at the rate of 300 a month, bringing cocaine into America's children.

There is one last stretch of that fence that I have not been able to build, which is about a mile or so right at the Pacific Ocean. Building that fence keeps trucks previously laden with drugs, but perhaps in the future laden with explosives, from coming into this country just a few miles below our major naval base in San Diego, including locations on that base that have very sensitive military equipment. I believe it is tomorrow or the next day that the Coastal Commission, which has been resisting this border fence because they do not think it is aesthetically pleasing, and they have the support of a lot of the environmental community behind them, is resisting the construction of that fence, which I think is important to national security, especially in this age of terrorism, because we have no way of monitoring the existence of terrorist activity just south of the border, just south of that naval base.

So I would hope that my colleague, Ms. Davis, would join with me in urging the Coastal Commission to approve that border fence, which has a strong protective dimension with respect to the men and women of the United States Navy. Also, Mr. Secretary, I would hope that you could weigh in on this decision that they are going to be making with respect to whether or not we have that fence completed. We still have that gap where vehicles laden with explosives could come across the border and proceed within minutes to our major naval base there in San Diego. Could you help us with this?

Secretary ENGLAND. The Department of the Navy agrees that the completion of the 4-mile gap in the U.S.-Mexico border fence in the San Diego area is an issue of great importance. Completion of this project will enhance the security of our Naval installations by reducing the potential threat environment created by an unsecured border.

The Department of the Navy applauds your leadership on this important issue, and supports your efforts to complete the permitting process, as you continue to work to complete this project with the Department of Homeland Security.

QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. Is the Navy considering any reductions of the Dedicated Fleet during the current fiscal year or fiscal years 05 and 06? If so, how many are being considered for reduction and what is your planned replacement schedule for these assets?

Secretary ENGLAND and Admiral CLARK. In the approved Fiscal Year 2005 Mine Warfare Certification Plan there are no reductions planned for the Coastal Mine Hunter (MHC) Class in the current fiscal year or FY05. The plan calls for a reduction of two ships, one in FY07 and one in FY08, to coincide with the delivery of the first two Littoral Combat Ship (LCS) and Mine Warfare Mission Modules. The LCS with Mine Warfare Mission Modules will provide more capability than the MHC and is better suited to respond to worldwide requirements. The Navy's force structure is currently under review as part of the POM-06 process to include examination of the MHC's role in fulfilling the Navy's Mine Counter Measures (MCM) requirements.

Mr. ORTIZ. We in the Congress have repeatedly seen the certified Mine Warfare Plan ignored. To address this serious problem, the Congress directed the Navy to inform Congress prior to making any changes to the Plan. In the past year, has the Navy made any changes to the Mine Warfare Plan or otherwise removed any funding to any assets in the Plan without notifying Congress, as directed by law?

Secretary ENGLAND and Admiral CLARK. The Navy has not implemented any changes to the certified Fiscal Year 05 Naval Mine Countermeasures (MCM) Plan.

Mr. ORTIZ. Over the years, we in the Congress have watched as the Navy invested hundreds of million of dollars in mine warfare countermeasures, including R&D, only to see the Navy inexplicably change the requirements when it is time for the

products to begin the acquisition stage. And as a result, mine countermeasure capability eludes the Fleet.

This is extraordinarily dangerous as our Fleet faces increased asymmetrical threats, such as mines, from terrorists. At the same time, there has been a consensus from Navy leadership that sea mines remain a very serious threat for the Fleet.

Now it is my understanding the Navy will begin retiring MHCs without having any replacement capability in place. Like the mine countermeasures, the Navy is eliminating a critical capability that currently exists, in support of a planned capability that the Navy hopes to have in place some years in the future. I say "some years" because the schedules for mine warfare always seem to slip.

What consideration is given to domestic waterway security in Navy mine warfare funding decisions, especially in retard to the dedicated mine warfare fleet, and does the Navy envision the use of foreign assets to keep our domestic waterways open in the case of terrorist mining?

Secretary ENGLAND and Admiral CLARK. Currently, ships and aircraft of the dedicated mine warfare force conduct bottom mapping and surveys of Continental United States (CONUS) ports and waterways in support of operational training. Should a domestic mine threat actually emerge, this mapping and survey effort would hasten the countermeasure responses.

The Navy however does not envision the need or use of foreign assets to counter a domestic mining threat nor is it retiring its mine warfare capability in advance of replacement technology and capability.

In the event of a domestic mine threat, tactical control of Mine Countermeasures (MCM) forces would be given to the appropriate operational commander. Currently, rapid (72-hour) response is available in the form of Airborne Mine Countermeasures (AMCM) (MH-53E helicopters) and Underwater Mine Countermeasures (UMCM) Explosive Ordnance Disposal (EOD) detachments and Navy's Special Clearance Team (NSCT-1). Surface Mine Countermeasures (SMCM) assets (MCM-1 and MHC-51 class) could be tasked based on the environmental profile and proximity to the threatened port or waterway.

Specific funding for Homeland Defense (HLD) is not apportioned to MCM forces; however, the bulk of MCM force peacetime operations resourced from within fleet operational accounts are applicable to mine warfare for the HLD mission.

Current plans are to retire two MHC-51 class ships in FY07/08 concurrent with the introduction of the first two Littoral Combat Ships (LCS) with associated mine warfare (MIW) mission packages. The LCS MIW mission packages will represent a dramatic increase in capability over existing dedicated MIW systems. Other efforts to strengthen MIW capability include plans to deploy the MIW command ship, High Speed Vessel 2 (HSV-2) SWIFT, in Calendar Year 2005 with available MIW mission modules; fielding of the Remote Minehunting System (RMS) on six DDGs, and the introduction of MH-60S MIW-capable helicopters for eventual use from ships within Carrier Strike Groups (CSGs) and Expeditionary Strike Groups (ESGs).

Mr. ORTIZ. The Commander of Naval Installations has reported a \$600M shortfall in SRM (Sustainment/Restoration/Modernization) money. This affects infrastructure, which impacts Quality of life for Sailors. Navy Region South has had to absorb \$4M of that shortfall, leaving the bases in dire need of an immediate SRM plus-up. Missions are being impacted because of cuts in SRM Funds. Does the Navy plan to plus up SRM funding so that missions aren't affected?

Secretary ENGLAND and Admiral CLARK. We have no plans for an immediate plus-up of SRM funding in Fiscal Year 2004 (FY04). Commander, Navy Installations continues to use capabilities-based budgeting and operational risk management to identify where resources are most critically needed in order to maintain a high level of shore readiness Navy-wide. Though there are SRM shortfalls this FY, we will continue to plan, program, and budget the SRM account across the Future Years Defense Program (FYDP) to best manage mission and quality of life needs for the whole of the Navy's shore infrastructure.

Mr. ORTIZ. The Navy is planning to fly the last portion of the Advanced Strike Navigator training in the T-45. That will add flight hours to the requirement, which increases the number of T-45 aircraft needed. Add to that increase the recommendation of adding 20 hours back into the T-45 strike curriculum, due to inputs from the Fleet Replacement Squadrons.

Won't those increases in flight hours affect the required number of T-45 aircraft needed to complete the mission?

Secretary ENGLAND and Admiral CLARK. The need for aviation training assets is based on a myriad of fluctuating inputs; not the least of which is training curriculum requirements. The training output of the T-45 pipeline, like other aviation training pipelines, is predicated, partially, on the current and executable curriculum as determined by the Chief of Naval Air Training (CNATRA). As the applicable in-

puts change, due consideration will be given to the impact that they may have on flight hours and subsequently service life of the T-45. Aviation training assets will be maintained with cost-effectiveness in mind as Naval Aviation training needs are met.

Mr. ORTIZ. The requirement of record for the T-45 is 234. This number is actually below the requirements stated in NAVAIR Air 4.10 study of February of 2003.

What is the current plan for the total buy of T-45's?

Secretary ENGLAND and Admiral CLARK. Our objective of 234 T-45s, as stated on the record, is based on many variables; two of which are the "T-45 Strategic Planning Study" (Air-4.10) and the current needs of the naval aviation training curriculum. The Naval Air Systems Command (NAVAIR) study is one of many tools used to determine and constantly evaluate the fidelity our objective number. Our objective remains 234 T-45s, but if a change in objective numbers were to be required, due consideration will be given to the cost-effectiveness of production options meeting our training needs.

Mr. ORTIZ. If due to budget pressures, the Navy decides to lower the requirement to 217, a new trainer would need to be operational by 2020.

What is the Navy's plan for funding the \$3 billion necessary to have a new advanced jet trainer by 2020? And what would the cost per copy be for a new trainer?

Secretary ENGLAND and Admiral CLARK. Our current projections show no need for a replacement jet trainer by 2020.

Mr. ORTIZ. Does the Navy have a plan, to promote more Joint operations at regional bases?

Secretary ENGLAND. Yes. We are actively participating in four related Department of Defense initiatives to further Joint Base Operations. They are the (1) Business Initiatives Council (BIC) Joint Basing Proposal; (2) Base Realignment and Closure 2005 Headquarters and Support Joint Cross Service Group (JCSG); (3) Joint Base Operations and Support (BOS) Installations Policy Board (IPB) Working Group; (4) Joint Strike Fighter Initial Training Basing.

(1) The BIC Joint Basing team is chartered to review, and if needed, recommend policy, process and procedural changes that enhance joint base operations. Currently, the team has drafted a Secretary of Defense (SECDEF) policy directing more joint base operations and support and drafted a SECDEF instruction outlining joint base operations and support processes. Additionally, the team is developing a guide template for joint base operations and support.

(2) The Headquarters and Support JCSG was chartered to review support functions in geographically clustered locations and make recommended changes to DoD policy and processes. The intent of these efforts is to eliminate redundancy and excess capacity, improve jointness, and exploit best business practices. Currently, the team is developing an assessment methodology which will be followed by a data call, analysis of the data, and recommendations for joint basing to be considered during the BRAC 2005 decision process.

(3) The Joint BOS IPB Working Group was chartered to develop Office of the Secretary of Defense-level BOS definitions, standards of service, and a joint Department of Defense BOS business model to facilitate joint basing opportunities in the future. Specifically, the group is addressing differences between resource models, functional definitions, performance standards and programming and budgeting methodologies.

(4) Joint Strike Fighter Initial Training Basing provides a framework to fully embrace joint basing concepts. Specifically, the Navy, Air Force, and Marine Corps have entered into a partnership that will further evolve the Navy's ability to work in a joint training environment. A joint training base will use common BOS service support to deliver divergent Service training goals. This joint training base will be determined by the Education and Training JCSG and final approval authorized by the Infrastructure Executive Council.

Mr. ORTIZ. Where does the Joint Training Initiative stand?

Secretary ENGLAND and Admiral CLARK. Cooperation and efficiencies between the services continues as part of the 1988 Joint Training Initiative particularly in the research, development, and acquisition of a new primary trainer and in inter-service Pilot/Naval Flight Officer (NFO) training. The Joint Primary Training Aircraft, the T-6A Texan II continues its successful implementation at three United States Air Force (USAF) sites and also at Naval Air Station (NAS) Pensacola. The Air Education Training Command (AETC) and the Chief of Naval Air Training (CNATRA) jointly manage the curriculum and support mechanisms. CNATRA Training Wing Six has received 37 of 48 T-6's to date for NFC training. United States Navy T-6 aircraft for pilot training will begin deliveries in 2008 at NAS Whiting Field, FL and 2012 in Corpus Christi, TX.

CNATRA is conducting inter-service training in all areas of Pilot and NFO curricula. Pilot training includes 100 exchange pilots between the Air Force and the Department of the Navy as well as the training of all United States Coast Guard (USCG) rotary aviators. CNATRA also is the sole provider of advanced multi-engine training for NFO/Navigator training for all USAF and USCG aviators.

Mr. ORTIZ. NAVAIR recently transferred all contract administration authority from CNATRA to the Defense Contract Management Agency (DCMA) for two maintenance contracts for T-45 aircraft located at NAS Kingsville and NAS Meridian. Aircraft maintenance has been a core function of CNATRA since 1941, and CNATRA has had a contract administration office since 1987. This office was developed into a comprehensive shop to include all aspects of the contract administration process. They are uniquely qualified to carry out this mission.

Why would the Navy move such an important activity out of the control of CNATRA, Navy personnel carrying out a Navy mission, and put it under the control of the Under Secretary of Defense for Acquisition, Technology and Logistics?

Secretary ENGLAND and Admiral CLARK. Naval Aviation, as are all other branches of the Department, is fervently seeking ways to achieve gains in efficiency and effectiveness. Where there is a strong business case for such improvements, steps are being taken to implement such initiatives. This is the case for the T-45 contractor logistics support contracts recently re-competed and awarded to Vertex Corporation and the T-45 Power By The Hour (Trade Mark) engine support contract awarded to Rolls Royce. These contracts contain performance-based requirements for contractors and employ acquisition incentives that encourage our private sector partners to reduce the cost of doing business. These contracts are expected to result in a \$148.5 million reduction in overhead costs over the 5-year contract period.

Discussions between Naval Air Systems Command (NAVAIR), Defense Contract Management Agency (DCMA) and the Chief of Naval Air Training (CNATRA) concerning the T-45 contracts concluded that NAVAIR would delegate principal contract administration authority to DCMA. CNATRA will retain an essential role in the administration of those support contracts awarded outside the Navy where all three parties determined it to be more effective and efficient. Where Navy personnel possess the expertise and consequently greater gains in efficiency and effectiveness, CNATRA will continue to administer such functions in carrying out critical Navy missions. In addition to their strong business case, the purpose of such initiatives is to establish a consistent approach to all Naval Air Systems Command trainer aircraft contractor logistics support contracts.

Mr. ORTIZ. What role will CNATRA play in the Navy's new, transformed structure?

Secretary ENGLAND and Admiral CLARK. CNATRA personnel will continue to have a significant role in the administration of the contractor logistics support contracts that support the overall naval aviation training mission. Although DCMA has principal contract administration authority for the recent T-45 contractor logistics support contract, CNATRA possesses expertise that makes it more effective and more efficient to manage some of the contract administration functions. In all such areas, those functions have been retained by CNATRA.

Mr. ORTIZ. Successful implementation of the National Security Personnel System will require the Department of the Navy to establish strong links between individual and organizational performance, especially in industrial settings.

What steps is the Navy taking to measure and manage organizational performance and what steps do you propose to take to link individual performance plans to those organizational objectives?

Secretary ENGLAND and Admiral CLARK. We have found a number of concepts, such as activity-based costing (ABC), progressing and costing of work breakdown structures (WBS), and workload management systems can be used to measure costs and outputs. Several Navy organizations have developed and implemented workload performance models and systems that explicitly link the resources (labor especially) and other inputs required to accomplish desired outcomes. For example, workload performance systems (WPS) are now in place at all four Naval Shipyards and are capable of projecting and managing work requirements and tracking performance.

We are planning pilot applications of this approach in some supply and contracting functions to see if they have benefits in a non-industrial environment. The Navy team responsible for development of these systems has experience in adapting this analytic approach. They have modeled Army depot and base operations functions. Where we find a good fit between the type of work and these ongoing workload performance systems, we will employ them in the design of performance management systems under the National Security Personnel System. We will continue to assess the scope of their utility based on outcomes of these pilot applications. We believe the in-place systems in the Naval Shipyards will provide a basis for the develop-

ment of the NSPS pay-for-performance systems in those yards. We will continue to look jointly with Army for opportunities to expand the coverage of these WPS models to additional functional areas and organizations.

Mr. ORTIZ. It is my understanding that NAVSEA has established a workload performance directorate at NAVSEA Headquarters. How will this organization participate in establishing pay-for-performance standards under NSPS? How robustly is it funded and staffed to allow it to perform its mission?

Secretary ENGLAND and Admiral CLARK. Due to increasing senior Navy level interest in the functions and accomplishments of the Enterprise Workload and Performance System (EWPS) which was developed by and is managed through an office of the NAVSEA Logistics Center (a field activity of NAVSEA), a decision was made to establish a code within the NAVSEA Headquarters Corporate Operations Directorate (SEA10) which would provide Command-level connectivity from the EWPS Project Office lead at both the Navy-level and for other Service initiatives. This also provided visibility of the efforts of this Project Office at an Echelon II level. That code was established as SEA 10W in late February 2004. The EWPS Project Office remains as a field activity. The EWPS Project Office is reimbursable, is funded by both Army and Navy customers to perform required functions, and is staffed at the level supported by these customers.

EWPS is a process/tool for workload and workforce predictive measures and is being considered as a part of the Navy's human capital strategies. Current EWPS-like systems are in place in the Naval Shipyards and in Army Organizations (called Army Workload and Performance System (AWPS)). Navy pilots of this system are being planned for a portion of the Naval Supply Systems Command and at the NAVSEA Logistics Center. NAVSEA Headquarters is planning a pilot in its Contracting Directorate. These pilots are structured to capture workload, process, and workforce utilization with an ability to project future needs based on past experience and knowledge of future workload. A decision on whether or not EWPS will be further expanded will depend on the results of these pilots.

At this time, EWPS is not directly involved in the development of the Department's pay-for-performance standards under NSPS. However, we believe the data from EWPS may be helpful in the future in terms of being able to measure performance against objectives, and thus could become a growing component of the NSPS. EWPS has a strong background in industrial organizations. Our planned pilots will provide some EWPS experience with business and management operations. Where available, we will use EWPS knowledge to help us craft NSPS performance measures.

QUESTIONS SUBMITTED BY MR. SAXTON

Mr. SAXTON. Admiral Clark, is there a rate beyond which you cannot grow the Navy Special Forces because of the quality of folks we end up with?

Admiral CLARK. Navy currently plans to allocate additional end strength to the Naval Special Warfare (NSW) Community, in fiscal years 2006 and 2008. This programmed growth will provide additional warfighting depth, in terms of SEALs and Command-and-Control in the deployable NSW force, and increased capability for geographic combatant commanders to prosecute the Global War on Terrorism. In concert with growing Naval Special Warfare capabilities, one of my highest unfunded priorities for fiscal year 2005 is addressing a \$67.2 million requirement for service-common Naval Special Warfare equipment.

Navy is fully committed to enhancing Naval Special Warfare capabilities. As the size of our SEAL community grows, sustaining the quality of personnel is essential to maintaining optimum capability, while providing the maximum degree of safety and security as they carry out their demanding mission. Much of the success achieved by SEALs in the Global War on Terrorism can be attributed to NSW high accession and training standards.

As to the point on maximum recruitment rate, I am sure there is an upper limit, but I believe the increases we are making now won't approach that threshold, primarily because our high training standards are among the most significant contributing factors to the quality of Naval Special Warfare personnel. Historical growth in the SEAL community has been accomplished through a combination of retention of highly trained, highly qualified SEALs, in conjunction with accession and successful training of new SEALs. Therefore, the rate of growth is somewhat limited by the throughput of students resulting from the complexity of training, schoolhouse capacity and staff limitations. To maximize schoolhouse throughput, while preserving our high standards, Navy Recruiting is initiating changes to the screening, selection and classification processes of SEAL candidates. We are confident that we

will be able to increase the size of the SEAL community to meet emerging requirements without adversely impacting quality, capability or readiness.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. What is the Navy's plan to address this lift shortfall and when do you expect to be able to meet the full 3.0 MEB lift requirement?

Admiral CLARK. The 3.0 MEB lift requirement established by the 1990 Department of the Navy Lift II study was developed under fundamentally different circumstances than those that exist today. We face new strategic challenges that call for a fundamental break with the concepts that have governed our amphibious operations for the last 60 years. To that end, the Commandant of the Marine Corps and I have initiated an analysis of alternatives to determine how best to leverage potential changes in the Maritime Prepositioning Force (Future) in order to generate a more responsive amphibious capability; one that may not be tied exclusively to traditional amphibious shipping.

Mr. TAYLOR. Where do we stand on meeting the requirement to lift three Marine Expeditionary Brigades (MEB)?

General HAGEE. Naval amphibious ships combined with embarked Marines provide forward presence and flexible crisis response forces for employment in support of foreign policy objectives. These forces provide the most formidable amphibious forcible entry capability in the world. Amphibious lift requirements are formulated to support the national military strategy, satisfy combat surge requirements, and can also be tailored to meet real world day-to-day commitments.

The warfighting requirement, the capability the Marine Corps strives to provide to our nation, remains at 3.0 Marine Expeditionary Brigade Assault Echelons and equates to 14 Amphibious Ready Groups. The requirement for an amphibious force structure plan that supports lift for 3.0 Marine Expeditionary Brigade Assault Echelons, as stated in the Department of the Navy's 1990 Integrated Amphibious Operations and USMC Air Support Requirements Study, the 1992 Mobility Requirements Study, and reemphasized in congressional testimony and the Secretary of Defense's 26 June 2000 Report On Naval Vessel Force Structure Requirements, remains a requirement.

Fiscal constraints, however, have limited amphibious lift to a programmatic goal of 2.5 Marine Expeditionary Brigade Assault Echelons that equates to 12 Amphibious Ready Groups. This capability will be achieved with active amphibious ship force structure upon delivery of the twelfth LPD 17 class ship. In the meantime, maintaining LKA's and LST's in a reduced operating status called the Amphibious Lift Enhancement Plan is a temporary fix meant to fill the gap between today's shortfall and the delivery of the LPD 17 ship class. The shortfall in active amphibious ships remains an area of concern.

Mr. TAYLOR. With current amphibious ship force structure, does the Navy only have the capacity to lift about 2.1 MEB?

General HAGEE. The current active Navy fleet is capable of lifting 1.93 MEB Assault Echelons (AE). Delivery of the twelfth San Antonio (LPD 17) during 2014 will return the lift capability to 2.5 MEB AE. The Amphibious Lift Enhancement Plan (ALEP) remains in place to fill the lift gap during LPD 17 delivery, it consists of amphibious stores ships (LKAs) and tank landing ships (LSTs) held in a reduced operating status until required. This shortfall in active amphibious ships remains an area of concern, and makes the expeditious completion of the 12-ship LPD 17 program even more essential.

Mr. TAYLOR. I read with great interest on page 13 of your testimony, Mr. Secretary, where you talk about BRAC, and we sold some property here, we cleaned up some property and then sold it. What I would like you to provide for the committee now, if not when you can get your hands on it, is how much did the Navy spend to clean up that property that it sold?

I would like to see the bottom line of what we spent, compared to what we sold that property for.

Secretary ENGLAND. Navy sold 235 acres at the former Marine Corps Air Station Tustin for \$204 million, 22 acres at the former Naval Air Facility Key West for \$15 million, and the City of Long Beach opted to pay off its remaining balance of \$11 million on a promissory note for the purchase of the former Naval Hospital Long Beach.

Cleanup costs at these three locations compared to land sales revenues are as follows:

MCAS Tustin—Basewide environmental cleanup total completed to date is \$64.1 million with an additional \$24.6 million remaining to be completed, resulting in a

total of \$88.7 million. Although the majority of the base was transferred at no cost to the community for economic development, schools, and parks, the Navy received \$204 million for the 235 acres (14%) of the base that was sold.

NAF Key West—Environmental cleanup of several BRAC surplus parcels has cost \$7.7 million with an additional \$0.5 million remaining to be completed, resulting in a total of \$8.2 million. Most of the surplus property was conveyed at no cost. However, the Navy received \$15 million for the 22 acres of the base that was sold.

NAVHOSP Long Beach—No environmental cleanup was necessary at this base. The economic development conveyance required payments over 33 years. \$2.7 million was received in annual payments until 2004 when the City of Long Beach elected to pay off the balance of the note. The amount of this final payment was \$11 million.

QUESTIONS SUBMITTED BY MR. MEEHAN

Mr. MEEHAN. Several years ago, I and my colleagues in the Massachusetts delegation brought a new technology, high temperature superconductor wire, to the attention of the Navy. Using these new wires that have zero resistance, it is now possible to build electric propulsion motors for the Navy's future all-electric ships, that are a fraction the size and weight of today's conventional technology motors, and are also more efficient and inherently quieter. The benefits of this technology have recently been proven by the Office of Naval Research's (ONR) successful development of a 6,500-horsepower marine propulsion motor. Work is currently underway on a 50,000 horsepower motor, also an ONR program, which is sized for DD(X). As the Navy moves forward in the development of this state of the art propulsion system, I ask that you give it your full support and the high priority it deserves, and look forward to working with you to move this effort forward on a fully funded schedule. Can you share with the Committee the importance of electric propulsion to Navy of tomorrow?

Secretary ENGLAND. Electric propulsion has the potential to enable significant improvements in warfighting capability and platform survivability with a concurrent reduction in total ownership cost. Here are three illustrations:

First, shifting to electric propulsion for Navy platforms will allow for additional warfighting capability. Examples of this could include electromagnetic guns for long-range bombardment, electromagnetic launch of aircraft, and electromagnetic retrieval of aircraft.

Second, platform survivability will be enhanced through the ability to distribute and rapidly reconfigure power generation and storage nodes obviating the inherent vulnerability of a centralized power generation system.

Finally, although initial investment for these systems may be greater than for current propulsion systems, total ownership cost could be reduced because of simplified design and construction. Power generation units can also be operated as needed creating significantly improved fuel efficiencies.

QUESTIONS SUBMITTED BY MR. REYES

Mr. REYES. One of the priorities of that survey group is trying to look into the situation with Captain Michael Scott Speicher. I would like for you to comment on what kind of survival radio he had when he went down. Do we have a different radio today than in the first Gulf War? Who makes it? Can you give us as much information as possible?

Admiral CLARK. CAPT Speicher had a PRC-112(V) radio in his possession on his last mission in Gulf War I. Currently, less than 200 PRC-112(V) remain and are not deployed. The 200 remaining PRC-112(V) radios are being converted to PRC-112B variants. More than 500 PRC-112B and over 1780 PRC-112B1 variants are in inventory. Combat Survivor Evader Locator (CSEL) will fill out naval aviation combat survival radio inventory requirements.

Mr. REYES. The only other thing that I want to make sure, in the President's budget, does he request funding for the National Junior ROTC?

Admiral CLARK. The President's budget for FY05 includes \$55.1 million for Navy Junior Reserve Officer Training Corps (NJROTC) funding requirements as follow:

MPN: \$2.4 million

OMN: \$39.9 million

RPN: \$12.8 million

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. There have been press stories about problems with wells at Camp Lejeune in the 1980s where the wells were contaminated but kept open and the Marines and families living there were not told. What is the status of this now?

Secretary ENGLAND. I am familiar with these stories and the issue at Camp Lejeune. The Agency for Toxic Substances and Disease Registry (ATSDR) is studying the health of children born to women who were pregnant while living at Camp Lejeune during 1968–1985 to determine if certain childhood health conditions were caused by the water. General Hagee has also convened a panel chaired by former Congressman Packard to review the historical facts at Camp Lejeune. The panel will report its findings to General Hagee. The report and information about any follow-on actions will also be provided to me and interested former Camp Lejeune residents, Congress, and the general public as soon as practicable. The Marine Corps has taken a number of actions to notify former Camp Lejeune families and the public about the impacted drinking water. These actions included a message to all Marines worldwide in an effort to reach former Camp Lejeune residents.

Dr. SNYDER. Have we found everyone who lived there and determined their health status?

Secretary ENGLAND. Both the Marine Corps and the ATSDR have taken actions to find and notify current and former Camp Lejeune residents of this issue as part of ATSDR's health study. In its 1997 Public Health Assessment of Camp Lejeune, the ATSDR concluded that the levels of volatile organic compounds in some of Camp Lejeune's drinking water most likely would not harm adults. Thus, the ATSDR's current epidemiological study is limited to unborn children of mothers who were pregnant while living at Camp Lejeune during 1968–1985 (considered by ATSDR to be the most susceptible population to volatile organic compounds). Not all former Camp Lejeune residents consumed impacted drinking water because not all of the Base's wells were impacted and we have yet to learn when the impacted wells were first affected. The ATSDR study will include groundwater and drinking water system modeling that should provide us with better information on the segment of impacted water consumers. Depending on the results of ATSDR's study, further study beyond children in the womb may or may not be required.

Dr. SNYDER. Are there any similar situations at other bases in the U.S. where past contamination was not disclosed?

Secretary ENGLAND. I am unaware of similar situations like the one presented at Camp Lejeune. The Department of the Navy's Installation Restoration Program is focused on finding, assessing, and cleaning up contamination from past disposal practices in use before the passage of modern hazardous waste management laws. This program follows the National Oil and Hazardous Spill Contingency Plan and includes specific requirements for public notice and involvement. The Department of the Navy complies with these requirements to ensure the public is informed and participates in the cleanup process.

Dr. SNYDER. Page A–16 of the Navy Budget Highlights has a table on RDT&E. First, are the numbers listed for FY04 the budget request or the levels that were actually appropriated?

Secretary ENGLAND. The FY04 column of Appendix A–16 in the FY05 Navy Budget Highlights reflects FY04 appropriated funds adjusted for undistributed reductions and any above threshold reprogrammings (ATRs) identified at the time the FY05 President's Budget was submitted.

Dr. SNYDER. According to that table, the Navy Science and Technology request for FY05 is \$167 million below last year's level. I believe the committee staff says the number is larger than that. What accounts for this drop?

Secretary ENGLAND. The \$167 million reflects the difference from the FY04 column to the FY05 column of the FY05 President's Budget for Budget Activities 1 and 2 only. The primary reason for this increased drop is due to Congressional plus-ups reflected in the FY04 column. In fact, the FY05 President's Budget request for Budget Activities 1 and 2 increased by \$48K over the FY04 President's Budget request.

Dr. SNYDER. Does the S&T level meet the DoD goal of 3% of the overall budget? Why not?

Secretary ENGLAND. No. This goal has been established for the Department of Defense (DoD), not the individual Services/Agencies within the DoD, including Navy. Navy's S&T investment is balanced against other competing Naval requirements and reflects budget constraints. So while the United States Marine Corps S&T budget does in fact meet the 3% goal, the United States Navy portion does not. However, I believe, the Navy is sufficiently funding this important program.

Dr. SNYDER. Secretary England, your testimony on ship build rates says that you will average about 9.6 ships acquired per year across the FYDP. But this average is heavily dependent on the final year of the FYDP (FY09) in which you plan to acquire 17 ships. Is this plan realistic? If a smaller number of ships is acquired that year, closer to the average of the previous four years, what does this imply for the number of ships in the fleet after 20 or 30 years? What steps have you taken to mitigate risk in this acquisition strategy?

Secretary ENGLAND. Our current shipbuilding plan provides the necessary investment in essential new construction programs. To build this force in the first quarter of this century will take a major commitment of resources and require pacing over 20 years.

At the same time, we are in the process of transitioning from older designs like the Arleigh Burke class DDG and creating transformational ships like the Next Generation Destroyer (DDX), the Littoral Combat Ship (LCS), the Maritime Prepositioning Force (Future), the 21st Century aircraft carrier (CVNX), and others. In fact, 14 of the 17 ships planned for FY09 are new and transformational designs like these.

While we are in the process of designing these ships, we are aggressively incorporating revolutionary and labor-saving technologies into these new designs and are working closely with our industry partners to mitigate the risks. This includes increased near-term investments in our research and development accounts for many of the design elements of these platforms, the development of prototypes for key combat systems like the S-Band radar for DDX, and the use of advanced, collaborative computer assisted design (CAD) software, as well as others. The net result is a build rate that will deliver the right capabilities to us at the right time without taking unaffordable risks.

Dr. SNYDER. Page 7 of your submitted testimony contains a chart of the FRP cycle compared to the current cycle. In the FRP cycle, there is no "Stand-down" phase as in the current cycle. Does this imply that some Sailors will not be given time off when returning from a cruise but will instead go right back to work in the maintenance cycle? what effect do you expect this to have on morale?

Admiral CLARK. We do not expect any adverse effects on Sailors' morale. The notional chart to which you refer subsumed the stand-down within the maintenance period. Sailors will still be provided the same stand-down opportunity to reacquaint themselves with their family and friends following a deployment.

Dr. SNYDER. There have been press stories about problems with wells at Camp Lejeune in the 1980s where the well were contaminated but kept open and the Marines and families living there were not told. What is the status of this now? Have we found everyone who lived there and determined their health status? Are there any similar situations at other bases in the US where past contamination was not disclosed?

General HAGEE. I am also familiar with these stories. They involve a very complex issue that former Congressman Packard and his panel are currently reviewing and the Agency For Toxic Substances and Disease Registry (ATSDR) is currently studying. To better understand this issue and my intent in appointing the review panel, I have attached some general background information about this issue and the ATSDR study.

Many people familiar with the general background of this matter have questions about the reasonableness of decision-making leading to the decision to close the affected wells. In order to better inform our Marines, their families, and others having an interest in this issue, I convened the panel chaired by Congressman Packard. The panel will report its findings to me. The report and information about any follow-on actions will also be provided to interested former Camp Lejeune residents, Congress, and the general public as soon as practicable.

The Marine Corps has taken actions to notify former Camp Lejeune families and the public about the impacted drinking water.

Camp Lejeune first notified its military personnel and family members about the impacted drinking water on December 13, 1984 through an article appearing in Camp Lejeune's newspaper, *The Globe*.

Camp Lejeune distributed a notice to residents of Tarawa Terrace on April 30, 1985.

On May 9, 1985, Camp Lejeune published an article in *The Globe* notifying Tarawa Terrace and Hadnot Point housing residents that ten water supply wells were taken offline and water conservation steps should be implemented until sufficient water could be provided from the Holcomb Blvd. water treatment plant.

Camp Lejeune also published three more articles on August 31, September 7, and September 14, 1989.

The Marine Corps also played an active role in assisting the ATSDR in identifying children eligible for the survey through targeted and global data searches and notifications. This was done through: (a) searching hospital and housing records and personnel databases from multiple locations; (b) publishing articles in various base and Marine Corps publications; (c) sending two administrative messages to all Marines; (d) conducting a Camp Lejeune Open House (January 2000); (e) conducting a press briefing at the Pentagon (1 November 2000); and (f) outreach to over 3500 media outlets.

In January 2000, Camp Lejeune held an "open house" with base residents and the Jacksonville community to discuss issues about the drinking water previously discovered to contain Volatile Organic Compounds (VOCs).

In August 2000, Headquarters, Marine Corps sent a message to all Marines worldwide in an effort to reach potential ATSDR survey participants. In addition, articles were published in numerous base newspapers, including the *Quantico Sentry*, Camp Lejeune's *The Globe*, and Camp Pendleton's *The Scout*, which have a large retired military readership. Camp Lejeune also solicited participants for the ATSDR survey by sending a press release to other military base publications.

In November 2000, Headquarters, Marine Corps held a press briefing at the Pentagon asking media to assist in helping to reach survey participants. The number of completed surveys at that time stood at approximately 6,500.

On January 25, 2001, Headquarters, Marine Corps sent a second message to all Marines worldwide in an effort to reach potential ATSDR survey participants.

In February 2001, regional media outreach efforts began, and outlets reached included:

- (a) TV Stations—1027 outlets
 - (b) Daily Newspapers—1373 outlets
 - (c) Weekly Newspapers—1171 outlets
- Total: 3571 media outlets contacted

In 2001, Headquarters, Marine Corps requested approval from the Department of Defense (DoD) to release to the ATSDR the Social Security Numbers of potential survey participants. In July 2001, Headquarters, Marine Corps received approval from DoD for a limited release of Social Security Number information covered by the Privacy Act to the ATSDR in order to support ATSDR's survey participant location efforts. Based on extensive data searches by Headquarters, Marine Corps, contact information for the names of potential survey participants was identified and forwarded to the ATSDR.

In January 2002, the ATSDR closed its survey with 12,598 eligible participants, and they began their analysis of survey results.

In July 2003, the ATSDR released a progress report of the survey and concluded that a follow-on case control study was warranted. The Marine Corps actively participated in publicizing this report through a press release, a webcast by the Deputy Commandant for Installations and Logistics, and by posting survey information on the Marine Corps web page.

Dr. SNYDER. Have we found everyone who lived there and determined their health status?

General HAGEE. As previously discussed, we have taken significant actions to notify current and former Camp Lejeune residents of this issue. It is premature, however, to individually notify former Camp Lejeune residents that have not yet been individually contacted by the ATSDR as part of their study (i.e., children and adults). In addition, we have no current ability under the law to identify a former Camp Lejeune family member's health status without their consent.

Within its 1997 Public Health Assessment of Camp Lejeune, the ATSDR concluded that the volatile organic compounds in some of Camp Lejeune's drinking water most likely would not harm adults. We understand that scientific knowledge changes over time, and we trust that the ATSDR will update its conclusion, as necessary.

We know that not all former Camp Lejeune residents consumed impacted drinking water because not all of the Base's wells were impacted. However, we have yet to learn when the impacted wells were first affected. While the ATSDR's epidemiological study is limited to unborn children (considered by ATSDR to be the most susceptible population to VOC health impacts) of mothers who were pregnant while liv-

ing at Camp Lejeune during 1968-1985, the study will include groundwater and drinking water system modeling that should provide us with better information on the segment of impacted water consumers.

Upon review of the Agency for Toxic Substances and Disease Registry's (ATSDR) epidemiological study's final findings to include the results of water modeling, we will expeditiously reassess the situation to determine if further notice is reasonable and appropriate.

Dr. SNYDER. Are there any similar situations at other bases in the U.S. where past contamination was not disclosed?

General HAGEE. I can only speak for the Marine Corps. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) includes specific requirements for public notice and involvement in the cleanup of our installations. The Marine Corps, through the Navy's cleanup program, complies with these requirements to ensure the public is informed and has the opportunity to participate in the cleanup process.

General Background Information

(1) In 1979, the Environmental Protection Agency (EPA) published interim standards for total trihalomethanes (TTHMs), disinfection byproducts from water chlorination. Based on this rulemaking, Camp Lejeune was required to begin monitoring for TTHMs by November 1982 and to be in full compliance with applicable requirements by November 1983. To prepare for these compliance requirements, the Atlantic Division, Naval Facilities Engineering Command (LANTDIV), contracted for water quality testing with the U.S. Army Environmental Hygiene Agency and Jennings Laboratories. This sampling initiative began at Camp Lejeune in July 1980.

(2) From 1980-81, TTHM sampling was performed at Camp Lejeune's Hadnot Point and New River water treatment plants and at various points in the water distribution systems. Volatile organic compounds (VOCs) were identified as interference (i.e., an influence by chemicals other than TTHMs) through the TTHM sampling of Hadnot Point.

(3) In February 1982, LANTDIV recommended that Camp Lejeune initiate contractual agreements to begin TTHM monitoring through a North Carolina-certified laboratory. Camp Lejeune initiated this TTHM sampling in the spring of 1982 with Grainger Laboratories. The first set of TTHM samples, obtained in April 1982, were collected at various points, including the water treatment plant effluent, pumping stations, and various sinks. Like before, no individual wells were sampled.

(4) In May 1982, Grainger Labs indicated that the TTHM analyses revealed VOC interference and that tetrachloroethylene (PCE) and trichloroethylene (TCE) had been discovered in samples from Tarawa Terrace and Hadnot Point. In August of 1982, Camp Lejeune received analytical results, which quantified the TCE and PCE concentrations from Grainger Labs. Further TTHM testing of the Tarawa Terrace and Hadnot Point systems resulted in sporadic interference with VOCs.

(5) In August 1982, Camp Lejeune had reason to suspect that the PCE concentrations could have resulted from the use of coated asbestos-cement pipe in the Tarawa Terrace raw water lines. Further discussion regarding the potential source of these compounds led to continued sampling and analysis of the drinking water systems, additional sampling and analysis of the water supply, and the acceleration of the Naval Assessment and Control of Installation Pollutants (NACIP) Program at Camp Lejeune (established to identify areas of the Base requiring cleanup).

(6) Camp Lejeune continued utilizing Grainger Labs for TTHM sampling through 1982, analyzing over 200 samples to ensure TTHM compliance. The analytical results from this sampling showed interference in certain samples. During this time, Camp Lejeune also evaluated the water treatment plants for potential sources of VOCs (e.g., paint, solvents used in equipment, and sources from other operations), performed inorganic chemical and corrosivity analyses, and continued planning for various infrastructure replacements at the Tarawa Terrace and Holcomb Boulevard water treatment plants. Camp Lejeune remained in contact with North Carolina's Water Supply Branch, Division of Health Services, Department of Human Resources (which had primacy over the Safe Drinking Water Act [SDWA] in NC) and also performed monitoring for other SDWA water quality requirements (e.g., metals, pH, etc.). At this time, Camp Lejeune's water systems were in full compliance with SDWA requirements.

(7) The NACIP Program began at Camp Lejeune in January 1982 to identify potentially contaminated sites on the base. In 1983, the NACIP initial assessment study was published, and this study led to the subsequent sampling of individual water supply wells in 1984. It was not until the water supply wells were sampled

beginning in 1984 that a direct association was established between VOCs in the Hadnot Point and Tarawa Terrace areas and the VOCs in the wells and groundwater. When the base confirmed that certain wells were impacted in late 1984 and early 1985, the affected wells were all shut down.

(8) The Agency For Toxic Substances and Disease Registry (ATSDR) is currently studying whether the impacted drinking water affected our former Camp Lejeune families. Camp Lejeune was placed on the National Priorities List in 1989. As a result, the ATSDR began a Public Health Assessment (PHA) of Camp Lejeune in 1991. The ATSDR completed its PHA in 1997 by concluding, in part, that the VOCs in some of Camp Lejeune's drinking water most likely would not harm adults. The ATSDR was unable to make findings with regard to children, particularly unborn children. Based on the PHA and a 1998 study of pregnancy outcomes at Camp Lejeune that, ATSDR recommended a larger study of children that were born to women pregnant while living at Camp Lejeune. This led to ATSDR initiating its current epidemiological study in 1999 with a survey of former Camp Lejeune residents.

(9) The ATSDR survey (and the scope of the study itself) focused on identifying children born to women who were pregnant that may have consumed VOC-impacted drinking water while living on-base during 1968-1985. The Marine Corps provided ATSDR extensive assistance and resources to locate former Camp Lejeune residents for the survey through data searches and a worldwide media campaign. The survey had two phases: (1) locating survey participants and collecting information; and (2) verifying information received. During the first phase, the ATSDR interviewed parents of those children born or conceived while living at Camp Lejeune between 1968 and 1985. This phase ended on January 26, 2002, with the ATSDR contacting approximately 12,598 former Camp Lejeune residents. Of these 12,598 children eligible for the survey, 103 cases of any one of the following conditions were reported: (1) childhood leukemia; (2) childhood non-Hodgkin's lymphoma; (3) spina bifida; (4) anencephaly; (5) cleft lip; and (6) cleft palate. ATSDR must confirm each of the 103 cases, which is still ongoing, before they can be included within the current epidemiological study. The ATSDR currently expects to complete its study in 2007.

QUESTIONS SUBMITTED BY MR. HOSTETTLER

Mr. HOSTETTLER. Why are you standing down the Maritime Defense Zone commands? Why can't the Commander, MARDEZLANT/PAC act as the naval component commander for U.S. NORTHCOM? Why create more staffs and commands?

Admiral CLARK. MARDEZ is not a viable solution to today's terrorist threats. MARDEZ is an obsolete "Cold War" construct designed to meet the threat of massive Soviet attack, not 21st century asymmetric threats. Commander, Fleet Forces Command (COMFLTFORCOM), an already existing headquarters, is the appropriate Maritime Component Commander for NORTHCOM—and performs this task without additional staff. Fleet Forces Command provides more agile and faster command to address today's terrorist threat, and will improve our Homeland Defense capability.

Mr. HOSTETTLER. Can you give some specifics about your call for a "Maritime Version of NORAD"—what is it? What will it do? Who will operate it? Is it the same as the Coast Guard's Maritime Domain Awareness project?

Secretary ENGLAND and Admiral CLARK. "Maritime NORAD" is a phrase that I have used to quickly and simply communicate the idea that in the post-9/11 world, the nation is in need of the kind of comprehensive knowledge of vessels and events in the maritime environment as we are of airplanes and events in the nation's skies. We need this kind of capability in order to ensure our port and coastal security, and it should include an integrated (both internationally and interagency) security and defense capability that could effectively respond to security threats.

This would require a sophisticated information enterprise that involves the coordination of many organizations, not unlike the way in which North American Aerospace Defense Command (NORAD) and the Federal Aviation Administration share information in the aerospace domain.

This kind of maritime structure would incorporate the following core principles:

An obligation on the part of all vessels to install electronic equipment that automatically indicates position and identification (just as aircraft are required to do).

An inter-service and interagency system for sorting and analyzing in near real-time the position and identification data provided by these systems, and by intelligence, surveillance and reconnaissance.

Tiered partnerships with other nations.

The ability to respond in a variety of options and provide national defense-in-depth against potential threats.

Maritime Domain Awareness is the Coast Guard's name for this concept, and we are in coordination with them and with the Department of Homeland Security to keep this important concept moving toward fruition.

Mr. HOSTETTLER. Admiral Clark, why isn't there a Coast Guard Admiral assigned to your staff full time to plan the operational integration of Navy and Coast Guard forces as well as coordinating matters such as inter-operable communications and commonality between the PEO Ships and PEO for Deepwater?

Admiral CLARK. There are no Coast Guard Flag Officers assigned to my staff because there are several other mechanisms already in place to foster planning, coordination and interoperability at every level in the chain of command. Given that fact, the Commandant of the Coast Guard and I determined that a Flag Officer would be of more service elsewhere.

Frequent senior leadership interaction is accomplished through the semiannual NAVGUARD Board meetings co-chaired by the Vice Chief of Naval Operations and the Vice Commandant of the Coast Guard, and senior leadership forums that I co-host with the Commandant to address cross-service issues and coordination. Additionally, the Navy's Director of Strategy and Policy and Deputy Director of Intelligence are on the Coast Guard's Maritime Domain Awareness Executive Steering Committee.

Mr. HOSTETTLER. It would seem that the Marine Corps has some relatively specialized and unique requirements in today's information technology rich environment. Your maneuver and force flexibility strengths create some additional challenges in communications and in equipment mobility and logistics. For example, the Crane Division of the Naval Surface Warfare Center, in my district, has recently furnished the Marine Corps with two highly transportable, state of the art, information technology capabilities. These were done in record time by harnessing adapting commercial off the shelf technology that is unique to your requirements.

The first is a mobile command operations center developed and fielded for Operation Iraqi Freedom. The urgent requirement to transform the Marines' static operations center into one which could accompany the 1st Marine Expeditionary Force form Kuwait to Baghdad, while still providing the functions required of a 250 person operations control staff, was accomplished in less than 60 days by using off the shelf commercial technology and existing Marine trailers, shelters and generating equipment. The system consisted of a main operations center and a smaller forward deployed "jump" unit that serves as a temporary operations center as the main unit is being redeployed forward. The development, equipment and in-country training and maintenance were delivered for about \$1.3M. How would you rate the performance of this mobile command operations center in OPERATION IRAQI FREEDOM?

General HAGEE. We were extremely pleased with the performance of the initial capability Baseline Combat Operations Center (COC) that was rapidly procured for use by the I Marine Expeditionary Force (I MEF) in Operation Iraqi Freedom (OIF). The Baseline COC proved to be strategic deployable, operationally agile, and tactically mobile. It enabled the commanding general to be forward and reduced exposure of assets to enemy action. The refurbished COC is once again in use by I MEF for OIF-II. It was the MEF's only Command and Control (C2) node during the first five weeks of the operation, where it performed admirably. The COC served the critical central role in the MEF's command and control process as they conducted operations in Fallujah and the Al Anbar Province. The COC stands ready for instant deployment anywhere in the Area of Operations as the situation dictates.

The genesis and performance of the Baseline COC in OIF I, and its continued enhancement for use in Iraq, is a testament to the process of rapid acquisition being institutionalized to respond to the special needs of the operational forces deployed in support of the Global War on Terrorism.

Prior to returning to Iraq, the COC was refurbished largely by Crane Division, Naval Surface Warfare Center, Crane, IN (NSWC Crane). All the Hitchhiker trailers were repaired, new generators and Environmental Control Units (ECUs) were mounted, new tentage was procured, all the electronic tables were refurbished, and the video system went through operational checks.

OIF Performance:

During OIF-1, the I MEF Combat Operations Center (I MEF COC) demonstrated a functioning capability based upon a modular building block approach employing a highly mobile, rapidly deployable physical infrastructure consisting of HWMMV-towed, functionally tailored, fifth wheel trailers with self-contained mobile electric power, environmental control, shelter-protected and shock-mounted C412 hardware, and the associated soft-skinned operation centers. The operations centers incor-

porated advanced cable management, networked tactical furniture, and an integrated video management system with multiple large screen displays. The integral tents proved viable in the harsh climate, including extreme heat and sandstorms.

System Accomplishments:

- ☐ Moved a straight line distance of 563 Km from Kuwait to Bagdad (beyond distance from LA to San Francisco)
- ☐ Survived Iraq's worst sandstorm in 20 years with 54 knot sustained winds and gust over 60 knots
- ☐ Improved visual integration and presentation

Capabilities and Functioning:

At the heart of the Combat Operations Center's performance as a C2 node is its ability to provide a higher fidelity, common relevant picture that supports more rapid decision-making based on reliable information processing, synchronization, fusion, visualization, and dissemination. The software infrastructure endeavors to build on the integration of critical legacy applications such as C2 Personal Computer (C2PC) enhanced and extended with the addition of Joint Battle Visualization (JBV) for advanced 3 dimensional display, VICE for advanced geo-registration and enhanced Intelligence, Surveillance, and Reconnaissance asset employment/visualization, and several distinct automated Position-Location Injection (PLI) devices providing both automated PLI of dismounted MEF elements and more robust end to end digital connectivity for exchange of time critical information.

Legacy Operations Center:

The initial capability COC replaced an immobile, highly compartmented, poorly integrated system that was wholly unsuited for the harsh environment of Iraq. Many of the components of the legacy equipment had been independently fielded with integration and interoperability an afterthought. It did not take advantage of digital enhancements and was not adapted for echeloned operations.

Continued Development:

The continuous development of the COC allows injection of emerging information technology in a highly focused manner to support immediate enhancement of MEF Command, Control, Communications, Computers, Information, Intelligence (C4I2) capability. The focus of further development remains to effectively mesh advanced Commercial/Government Off the Shelf (COTS/GOTS) technologies with legacy C4I2 systems to create a strategically mobile, rapidly employable, highly integrated MEF Combat Operations Center with greater capability, agility, and flexibility. This requirement remains imperative to meet the wide-ranging demands foreseen in the pending near term execution of MEF-level operations in conjunction with Operation OIF-II.

Many requirements for enhanced C2 were answered by the initial capabilities COC. However, the ability to facilitate mobile tactical operations of widely dispersed forces and maintain required situational awareness while on the move remains a challenge to conquer. This capability requires mobile wideband SATCOM able to support integrated live mission images and VTC rebroadcast to both dismounted elements and higher headquarters. A miniature terminal provides this advanced communications networking capable of rendering large bandwidth, robust, multi-point-to-multi-point, wideband-netted communications. Enhancing and extending this may require the addition of an advanced terminal and phased-array antenna employing a rapidly deployable, theater wide airborne relay.

Further fielding of these C4I2 technologies in an integrated package will dramatically strengthen the MAGTF commander's situational awareness and significantly enhance execution of mission-essential C2 tasks in Joint/Combined operations. Potential improvements to collect intelligence, analyze, fuse, and disseminate information will enhance shared appreciation of battlespace dynamics. Development of deployable, self contained, highly mobile combat operation centers will provide increased mobility throughout the strategic, operational, and tactical continuum.

Additional Supporting Information:

To meet the mission of fielding the initial capability COC, Marine Corps Systems Command Special Projects team assembled an innovative and broad based team of experts including engineers from Naval Surface Warfare Center (Crane, IN), Naval Coastal Systems Station (Panama City, FL), Coherent Systems (Patuxent River MD), SensysTech, (Union Town, PA), BMI/Base-X (Fairfield, VA), Symbiont Enterprises Inc (Huntsville, AL), Science Applications International Corp (St. Petersburg, FL), Lockheed Martin (Owego, NY), Aero Union (Chico, CA), and Trident Systems (Arlington, VA), in addition to an extensive group of independent engineering consultants with Marine Corps C2 experience.

The Combat Operations Center initiative builds on mutually supporting efforts ongoing with CENTCOM, SOCOM, CENTAF, 18th Airborne Corps, V Corps, 1st Air Force and the California Air National Guard's 146 Airlift Wing to develop coherent capabilities across the Joint spectrum.

Existing Systems:

Global Command and Control System (GCCS)

Intelligence Operations System/Workstation (IOS/IOW)

C2PC

Advance Field Artillery Tactical Data System (AFATDS)

Theater Battle Management Core System (TBMCS)

Augmented By:

Joint Battlefield Visualization (JBV, 3D Mapping)

ADOCS (Fires Execution/ATO Visualization)

Battlefield Universal Gateway Equipment (BUG-E), Multiple Source Correlator Tracker (MSCT), Joint Tactical Information Distribution System (JTIDS), Situational Awareness Data

0Link (SADL) Gateway

Blue Force Tracker

MDACT

Voice/Data Radios & Intercom Systems

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—ACTING SECRETARY OF THE ARMY; ARMY CHIEF OF STAFF

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,

Washington, DC, Wednesday, February 25, 2004.

The committee met, pursuant to call, at 10:03 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order. This morning the committee will continue its review of the fiscal year 2005 Defense budget request with a look at the Department of the Army. Our witnesses today are the Honorable Les Brownlee, Acting Secretary of the Army; and General Peter J. Schoomaker, United States Army Chief of Staff of the Army. Welcome to the committee, gentlemen.

This year's defense budget request is \$98.5 billion for the Department of the Army, which is \$5.2 billion more than the fiscal year 2004 peacetime budget. Unlike similar hearings in the past, today we do not have to theorize about how the Army is doing or will do in the field of battle. Today's Army has been and continues to be on the frontlines in the war on terror.

As we speak, Army forces are hunting down terrorists in Afghanistan and Iraq, rebuilding these nations from the devastating effects of years of tyrannical rule, while at the same time undertaking fundamental reforms in order to better defend our interests well into this century. While our troops are deployed around the world, it is our responsibility back home to give them all of our support and every tool they need to accomplish the mission. Since the attacks of September 11, I believe it is fair to say that we have all worked toward that end no matter our politics or districts. This year must be no different.

We can start by, at a minimum, fully funding the President's budget request for the next fiscal year. That does not necessarily mean accepting it as is or without scrutiny. But we should agree that no matter what debate follows as part of our normal process, we must make sure that our troops in the field fighting receive all the resources they need to carry out their mission as effectively and safely as possible. Funding the President's requested defense budget topline is an essential starting point toward that goal.

Doing that may be difficult this year. There are some who apparently believe that the threats to U.S. national security are sufficiently contained to allow us to begin cutting defense spending again. That would be a mistake. al Qaeda is still out there. Ansar al-Islam is still out there. Rogue states are still out there. And as the daily news headlines confirm, some of them continue to pursue weapons of mass destruction. It has been said that eternal vigilance is the price of liberty. Now is not the time to let down our guard by shortchanging our troops on the battlefield.

In that same vein and beyond the budget debate, it is equally important that Washington, both Congress and the Pentagon, take every step and exhaust every option in providing our troops in the field with all available technology and equipment options to carry out their mission. As both of our witnesses know from various discussions we have had, I am deeply concerned that our military acquisition system is too hidebound and obsessed with archaic process that only gets in the way of rapidly fielding simple equipment solutions that can make the difference between soldiers coming back home alive or in one piece.

You can be assured that this committee will be making these force protection issues a critical priority for as long as we have our troops deployed in harm's way. I certainly hope we can continue this productive dialogue in this area and continue to work together to find ways to push these critical capabilities into the field and into the hands of soldiers as rapidly as humanly possible. I assure you that this committee and my colleagues stand ready to do anything we can to assist you in this regard.

Gentlemen, thank you for being with us this morning, and thank you for your service to our country in these very challenging times. Before recognizing our first witness, let me recognize my partner on this committee, the gentleman from Missouri, the Ranking Member, Mr. Skelton, for any remarks he might want to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 393.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, my friend, thank you so much.

Mr. Chairman, with your permission, I would like to mention on a personal and professional level an item a number of days ago, when my good friend Dudley Tademy told us that he was going to retire as a member of our staff. Dudley Tademy is a rare hero here in our country. He was a hero in uniform and a hero on our committee staff, and I know all of us wish him very, very well in his retirement. He has served us well and we thank him for that.

Mr. Chairman, let me say welcome to Secretary Brownlee and General Schoomaker.

The CHAIRMAN. Would my friend yield for just a minute?

Mr. SKELTON. You bet.

The CHAIRMAN. Since he has mentioned Dudley Tademy, ever since I saw the movie *We Were Soldiers*, I have discovered that Dudley was in that Landing Zone operation (LX)/X-Ray, which was the subject of that great movie, I think one of the great movies

about Vietnam. I have been mentioning that on any and all occasions, and it always embarrasses Dudley. Like a true hero, he does not take accolades well. Dudley, you know, one of the real values to this committee is to have people serving on it who have that great element of field experience, which is very difficult to replicate. You brought that great experience to this committee, and we appreciate your professionalism in all you have done for the United States of America. Thank you very much.

[Applause.]

Mr. SKELTON. Mr. Chairman, thank you.

Dudley, we are proud of you. Thank you for your service.

I appreciate the General and the Secretary being with us, so let me at the outset say how proud we are of our American soldiers. We are frankly doing so very, very well. The strains are enormous, both for the soldiers and their families and I hope you will remind them how members of this committee are grateful for their service.

General, let me give you credit for the innovative approaches the Army has taken in restructuring and stabilizing its forces. We are asking an awful lot. Sometimes I think we are asking too much of our soldiers. We had testimony in this room back in 1995 that the Army needed 40,000 more soldiers. Since then, Iraq continues to be a considerable demand on our military resources and will be, even if the political transition goes smoothly, which is a separate subject for which I worry.

However, on top of that, for a soldier deployed in forward stations in over 120 countries, there is no real end in sight and I do not see how we can make an argument that the current demand is a temporary spike. In fact, the Army recognizes that it cannot meet the enormous demands placed on it with the current authorized end-strength. General Schoomaker, you recently announced that you have started to increase manning levels by 30,000 soldiers. Since our current budget does not provide for such an increase, the Army plans to pay for them out of the supplementals that we have already passed. I really do not think that is the right way to do it. Congress should authorize the end-strength increase and pay for them through the regular budget.

Even as we struggle with the question of troop levels, I think we are concerned about what the Army is doing to fund ongoing operations. The Department tells us it will be January, at the earliest, before they send a new supplemental budget to us. With the Army spending over \$3 billion a month on these operations, how will we bridge the gap without hurting our other Army programs? We on this committee want to ensure that your soldiers can fight as effectively as possible without asking them to mortgage the future fiscal health of the Army to do it.

Secretary Brownlee, thank you especially for your service, Mr. Secretary. We have worked with you through the years when you were in the other body, and you were so effective there. And we see you doing an excellent job here, and we thank you for your service. And General Schoomaker, thank you for coming back to serve not just the troops, but our country. We feel very confident in your leadership.

With that, Mr. Chairman, thank you so much.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 398.]

The CHAIRMAN. I thank my colleague.

Mr. Secretary, we do appreciate your service. You bring a rare combination, which is a lot of acumen in this city, in terms of knowing how to get things done, working with the executive branch and the legislative branch, coupled with a persistence that I think comes from your service in the field in the U.S. Army. That is a good combination for us, one that we need right now. We need your persistence, your stubbornness and your intellect. There are going to be some difficult things, in many cases doing more with less.

The floor is yours, sir.

STATEMENT OF HON. LES BROWNLEE, ACTING SECRETARY OF THE ARMY

Secretary BROWNLEE. Mr. Chairman, before I begin my statement, with your permission I would like to make a couple of brief comments. First, I want to tell this committee what a pleasure and an honor it is for me every day to have the privilege of working alongside this great soldier, this outstanding general officer who is sitting here beside me. He truly is a great soldier and an American warrior in every sense of the word, and a true American patriot.

Pete Schoomaker has brought new meaning to the word "transformation," and he has revitalized Army transformation in a marvelous way. He has also revitalized the spirits of our soldiers by his renewed emphasis on the warrior ethos and the soldier's creed. We are all fortunate that he and his family have made the difficult decision to leave a very lucrative, comfortable and well-deserved retirement to return to lead the Army during a time of war. He brings tremendous leadership to the Army every day. It is an honor for me to sit next to him this morning to represent our Army in front of this distinguished committee.

While I have had a long relationship with this committee, this is the first time I have been honored to testify here. I am truly honored. Most of my previous experience over almost 17 years was as a professional staff member and, later, Staff Director of the Senate Armed Services Committee, and of course I had the privilege of going to conference with members and staff of this great committee for each of those 17 years.

Most of my time was spent in what seemed like endless staff negotiations to assist in finding resolutions to the difficult issues with which this committee must deal. I trust you have forgiven me for any of those past dealings, since I almost always lost anyway. But I do appreciate the many courtesies afforded me over these years and the many memories and relationships with both members and staff which remain so very much a part of my life.

Mr. Chairman and distinguished members of the committee, I appreciate the opportunity to appear before you today along with our Chief of Staff, General Pete Schoomaker, to testify on the status of our great Army. We have prepared a posture statement, and with your permission we would like to submit that statement for the record.

The CHAIRMAN. Without objection.

Secretary BROWNEE. On behalf of our great soldiers who are serving our country around the world, let me begin by expressing gratitude for your tremendous support for our soldiers and their families. This support comes not from the members alone, but also from your dedicated professional staff, as well, one of whom we have just recognized, Dudley Tadem, a fellow with whom I have had many years relationships. He was a distinguished officer, of course, in the Army, highly decorated, and then served many years of faithful service on this committee. I have enjoyed and appreciated that relationship very much.

Also to both members and staff of this committee who have been of such recent and tremendous assistance in helping us with these difficult issues of force protection. I know that everyone in this room wants all of our soldiers to be protected as rapidly as possible with the best equipment possible. I assure you that General Schoomaker and I are working to that end, but sometimes when you see a way to help, I assure you it is very much appreciated.

I know that you are also deeply interested in the great work our soldiers are doing, their morale, their training, and how we have equipped them. Since June, I have had the opportunity to visit our troops in Iraq three times, and those in Afghanistan twice, as well as traveling to our posts in South Korea, Germany and here in the United States. I have spoken with commanders and soldiers at various levels and am in regular contact with senior Army leaders in each theater. I am grateful to have the opportunity to share what I have learned with you.

The most important point I want to make here today is that we are an Army at war serving a Nation at war. This fact underlies everything we are doing and planning to do. The Army has two core competencies. First, we train and equip soldiers and we grow leaders. The demands of war today and in the years ahead require smart, dedicated and adaptable men and women. We have such people, but it takes time to prepare them for the duties we ask them to perform. We must therefore continue training and educating our soldiers even as we deploy and conduct military operations around the world.

Our second core competency is to provide relevant and ready campaign-quality land power to combatant commanders as part of the joint force. To better do this, we are restructuring our forces to meet the challenges of today and to more effectively use the resources the American people have entrusted to us. The fiscal year 2005 budget we submitted fully supports these two competencies and represents a balanced consideration of both our current and long-term requirements.

We are extremely busy these days in the war on terror. The pace of our current operations is high and has human and material costs. We appreciate the assistance of the Congress in addressing these as we work to restore our units and equipment to the high levels of readiness necessary to continue to meet our obligations to the Nation. Despite extraordinary accomplishments to date, we are not content to rest solely on what has worked in the past.

We are therefore transforming the Army itself in response to the lessons learned and experiences gained by the Army's recent 2½ years of combat in the Global War on Terror, as well as the oper-

ational environments envisioned in the foreseeable future. This is an ongoing process and we will keep the Congress fully informed.

As you are aware, on Monday we announced the termination of the Comanche helicopter program as part of a major restructuring and revitalization of Army aviation. In lieu of completing development and procuring 121 Comanche aircraft through fiscal year 2011 Future Years Defense Program (FYDP), we will propose instead to procure almost 800 new aircraft for the active and reserve Components, as well as enhancing, upgrading and modernizing over 1,400 aircraft in our existing aviation fleet. This reallocation of resources reflects the changed operational environment, and will provide the modularity and flexibility we must have to achieve the joint and expeditionary capabilities that are so essential to the Army's role now and in the future.

We are transforming the Army, while retaining those values critical to the Army's achievements of the past 228 years. The fiscal year 2004 defense legislation and supplemental appropriations have enabled the Army to do that which it has been asked to do. I look forward to discussing with you how the fiscal year 2005 budget request will permit us to continue meeting our obligations, now and in the years to come.

In all that the Army has accomplished and all that it will be called upon to do, the American soldier remains the single most important factor in our success. Today, our soldiers are present in over 120 countries around the world, representing the American people and American values with courage and compassion. In the past 2 years, together with our sister services and our coalition allies, American soldiers have liberated 46 million people in Afghanistan and Iraq, and are helping those countries rebuild from the ravages of tyranny and terror.

During my visits to Iraq and Afghanistan, I have witnessed, as many of you have also, the magnificent performance of our troops executing every mission with quiet determination and achieving successes that do not always make headlines. We are making steady, if unheralded progress, and we very much appreciate those of you who have visited our soldiers there.

I want to express my appreciation for the service and enormous sacrifices by our soldiers, especially those who have given the last full measure, and their families, as we meet the challenges and risks posed by the war on terror. Our deepest thanks go to the members of our active and reserve component units, as well as to the thousands of Department of the Army civilians who are deployed overseas in harm's way, also.

Regardless of where our soldiers serve, they perform as the professionals they are, with skill, courage, compassion and dedication. They embody the values of our Army and our Nation, serving selflessly and seeking only to do what must be done before returning home. Despite remarkable successes, our fight is far from over. It will take time to win the war on terror.

Our enemies are resolute, but hard-line al Qaeda operatives in Iraq recognize they cannot dislodge our forces by fear or intimidation. Our commitment to prevail in Iraq and elsewhere is unshakable. I have seen the resolution in our soldiers's eyes, and heard the determination in their voices. We must do our part to en-

sure they have all they need to do the job we have set before them. When the American people and our leaders stand behind them, they can do any task on Earth.

Mr. Chairman, in closing I would like to thank you and the members of this distinguished committee for your continuing support of the men and women in our Army, an Army at war and a full member of the joint team deployed and fighting terror around the world. I appreciate this opportunity to appear before you today and I look forward to answering your questions.

[The statement on the Posture of the United States Army 2004 submitted by Secretary Brownlee and General Schoomaker can be found in the Appendix on page 405.]

The CHAIRMAN. Mr. Secretary, thank you very much.

General Schoomaker, thank you for your work and the engagement you have undertaken with the committee over the last several months on these pretty dramatic initiatives that you are presenting in this budget cycle.

The floor is yours, sir.

STATEMENT OF GEN. PETER J. SCHOOMAKER, CHIEF OF STAFF, DEPARTMENT OF THE ARMY

General SCHOOMAKER. Sir, thank you very much. Good morning, Chairman Hunter, Congressman Skelton, distinguished members of the committee.

I would like to take just a minute as well and recognize Dudley Tademey. We had a nice conversation yesterday and he asked me for some guidance on retired life. He has set a goal that he will exceed more than 2 ½ years, and beat my record for successful retirement. [Laughter.]

I told him the secret is, be careful when you answer the cell phone in your truck. [Laughter.]

I certainly join everybody else in recognition of Dudley's great service and sacrifice, not only in uniform, but here on the Hill in all that he has done.

By answering the cell phone in my truck, it gave me the opportunity to once again serve in uniform, and I appreciate everybody's recognition of that. I must say, though, sometimes it is somewhat embarrassing because the honor of being able to serve alongside our soldiers is great. One of the benefits that comes with it is being able to serve alongside Secretary Brownlee, who is a great soldier in his own right, very distinguished service, and of course served up here so well. I can tell you that his mentorship and his assistance as we go through what we go through here is very, very valuable to me. I appreciate being able to serve alongside of him.

I would also like to recognize two other distinguished soldiers that are here today. Lieutenant General Ron Helmly, who is sitting with me here from the U.S. Army reserve; and Lieutenant General Roger Schultz, next to him, from the Army National Guard. I think it is very, very important to understand that fundamental to the initiatives in the transformation of the Army is the notion of one Army in reality. What we are doing, as you will see as we transform, is ensuring that we are making the tightest team that we can as we go forth to meet the national strategy.

Chairman Hunter, Congressman Skelton, distinguished members of the committee, it is a pleasure to appear before you today to tell you about the tremendous work our soldiers are doing as they accomplish our Nation's business around the world.

To begin, I want to thank each of you for your tremendous support. You continue to show for our men and women in uniform and their families. The fiscal year 2004 defense legislation and supplemental appropriation have provided our soldiers the tools they need to carry on their important and often dangerous work. The fiscal year 2005 President's budget request provides our Army with the resources we need to meet the non-contingency requirements of the national security strategy.

It fully funds our statutory active component (AC) and reserve component (RC) end-strength. It supports training requirements in accordance with our joint and combined arms training strategy. The budget also requests funds for depot maintenance for the 15 critical systems in our recapitalization program. It provides funds to upgrade barracks and family housing, and funds facilities sustainment at 95 percent.

The budget request also provides for future readiness by funding upgrades for the Stryker brigade combat team five, and our continuous investment in the Future Combat System. As with any budget, it reflects a balance, and we have accepted risk and some lower priority depot maintenance base operations in other areas. The budget request does not fund our contingency requirements for Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). We do not know with certainty what the requirements will be, but we will need a supplemental to fund them once they are known.

All of this has been carefully weighed, and I ask for your support of the fiscal year 2005 budget request. There is no question that the pace of our Nation at war challenges our Army. It is hard to recall a time in history, with the exception of World War II, when our Army has been busier as we deploy and re-deploy nearly 250,000 soldiers over the next 4 months. We continue to meet these operational challenges with the seamless commitment of active, National Guard and reserve soldiers who continue to give so selflessly to our great Nation. This is a significant challenge and we cannot approach it as if it were business as usual.

This state of war requires us to challenge old paradigms, to be flexible and adaptable. Now is the time for extraordinary action, for action that is tailored to the challenges we face today and are likely to face in the future. Our Army is on the move to meet the current threats. The current emergency presents a period of risk, yet it also creates a window of opportunity to effect dramatic changes in the Army. We can take advantage of this movement to re-set the Army in a way that builds new capability and better prepares us to meet the Nation's future security requirements.

Almost a month ago, I came before this committee to answer your questions about the ongoing rotation of forces in Iraq and Afghanistan. At that time, I told you that by using the authority provided by Congress and the flexibility you have built into our law, the Secretary of Defense and the President of the United States supported the Acting Secretary of the Army and my request to tem-

porarily increase the force level of our Army by up to 30,000 soldiers above its statutory end-strength.

Since that time, members of the Army staff have had the opportunity to brief your staffs on some of the specifics of our proposals. I have met with several of you myself. The concern that many of you have shown over this issue reflects the best traditions of our government and your sincere concern for the welfare of our soldiers. This temporary increase is the right choice. A permanent increase in statutory end-strength before the Army has implemented our ongoing force structure reforms would be inefficient and could jeopardize the future readiness of our Army.

We have asked to temporarily increase the force under the authorities provided in Title X, Section 123(a) because the real issue we must address is improving Army capabilities by tailoring our structure to better meet the requirements of our national security strategy. Capability is the issue, not the number of soldiers. I ask each of you to support this approach.

Combined with other initiatives, such as adjusting the balance between the active and reserve components, increasing the pool of soldiers in high-demand specialties, and implementation of unit modularity and stabilization, this restructure will provide the Nation and joint force commanders with an Army better suited to meet rotational readiness requirements we face today, while remaining ready to meet the challenges of the future.

We must never lose sight of the fact that it is our soldiers who put it all on the line, and our families who bear the burden. We will do everything in our power to prepare them for the challenges they face. I could not be more proud of them and the professionalism, courage and competence that they demonstrate every day.

In closing, I would like to thank this committee for the opportunity to appear before you today and for your continued support for the men and women of our Army deployed in Iraq, Afghanistan and throughout the world. Thank you. I look forward to your questions.

The CHAIRMAN. General, thank you. Let us get right to it. This initiative that you have briefed a number of us on, and we just got a good briefing from General Cody here prior to this hearing, goes straight to the warfighting issue, to the end-strength issue. A number of us on this committee, including myself, watched with dismay as we took the Army down from a high of 18 divisions in 1991 to the present 10 divisions. We thought that especially the last several cuts that were made were made without deep analysis. They were made because of monetary priorities and fiscal priorities, and they were not shaped to the threat.

What you have presented to us is a plan to increase the 3 brigades that are presently today's Army by 3 brigades this year, 3 brigades next year, and 4 brigades in the following year, for 10 additional brigades, which is the equivalent, if you are going to run it into divisions, to 2 to 3 divisions. You think you can do that with the present members you have with this enhancement of some 30,000 personnel.

As I understand it, and there is a lot of detail here, obviously, but as I understand it, you are going to take out a lot of the bureaucracy that is in the core elements and the division elements.

You are going to vest more capability in brigades so that brigades have more self-sufficiency so that the brigade commander's own capabilities, especially in the support areas, do not have to have them chopped down from division. Therefore, you will have the ability to move and match brigades, if you will, to a particular theater and a particular threat.

As I understand further, you are going to cut down on personnel moves. Presently you have lots of folks moving, and those people are not available for warfighting, some 64,000 or 65,000 personnel at any given time. So if you stabilize rotations and keep people at their duty stations longer, that is going to free up people or make more people available for warfighting operations, effectively increasing your end-strength in the warfighting operations, while keeping the same number in overall end-strength.

A number of us have been briefed up on this, but I have one question. That is, if part of this move, this dramatic change which has a lot of promise if in fact you are able to do what you think you can do, involves moving heavy warfighting capabilities in artillery, for example, into some of the military occupational specialty (MOS)'s like military police (MP), which fits this theater well. I am thinking of the Iraq theater, because we have enormous stress on our MP units.

My question to you is, have you done a thorough analysis on the two major regional conflict (MRC) possibilities and the effect that that would have on a potential Korean theater in the future? That is, to divest yourself of some of this heavy artillery.

General SCHOOMAKER. Sir, I think I got most of it. The national strategy today is known as a 1-4-2-1 strategy. It is more than two major regional contingencies. As you know, it has the responsibility for the homeland security, which is a major portion of it. It has deterrence in major areas that we are concerned of. It has the ability to swiftly defeat the effort in a major regional contingency, as well as decisive ability to defeat in another.

What we are very confident of, if we make these changes to modularity and increase the capability, take the resources we have and increase the combat capability, that we in fact will be improving our ability to do this, especially when you consider it in a joint context with the capabilities of the other services, to do what you are suggesting.

One of the very important points is we must not just focus on the fact that we are increasing the active brigade force by 30 percent, but at the very same time we are forming 34 brigades in the National Guard that look like and will be able to operate in a plug-in play fashion with the active force in a seamless way. I think one of the best demonstrations of that is if we look at how we are going to form the aviation brigade using the resources that we have. You will see that we are significantly improving our reserve component capability, as well.

The CHAIRMAN. So General, you are confident that this draw-down on artillery capability is going to be compensated by precision munitions and by air support that is going to fill that support requirement?

General SCHOOMAKER. Sir, I am very confident in that. I would just like to remind you, if you look inside the detail of it, we will

still have in excess of 100 battalions of field artillery in our formations.

The CHAIRMAN. Thank you.

The gentleman from Missouri?

Mr. SKELTON. Mr. Chairman, thank you.

It is rare that you have both a Secretary of the Army and Army Chief of Staff with such outstanding military records, including combat records. We compliment you both. Both of you know of what you speak. We thank you for your expertise. As a matter of fact, Mr. Chairman, I had to drag out of the Secretary in a good number of conversations the fact that he has not one, but two silver stars to his credit. So we thank you both for your past service, as well as for your present service.

These are difficult days. I am deeply concerned, gentlemen, about the budget that has been sent over for the United States Army. You know and I know that the ongoing operations in Iraq and Afghanistan have not been part of that budget. Am I correct?

Secretary BROWNLEE. For the most part, that is true, sir.

General SCHOOMAKER. That is true, sir.

Mr. SKELTON. Under the budget that you have and that you are working on today on those two operations, and you have active duty, National Guard and reserve soldiers performing exceedingly well in harm's way—at what point, General, do you run out of money on these two conflicts?

General SCHOOMAKER. We are fully funded, sir, to the end of this fiscal year under the supplemental for the current efforts in both Iraq and Afghanistan.

Mr. SKELTON. Under the supplemental?

General SCHOOMAKER. Under the supplemental, that is correct, sir.

Mr. SKELTON. It was interesting, and I am not going to ask you to comment on it, but as a footnote, when your predecessor, General Shinseki, retired, he gave in his farewell speech a comment that we have a 12-division strategy for a 10-division Army. I know that there are stretches and strains in your proposed reorganization. I am sure you are taking all that into account.

However, I am concerned that there still is a shortfall. According to the figures given to me, we have sustained in both Iraq and Iran to date 2,703 injured or wounded in those conflicts, and 656 killed in those conflicts, for a total of 3,359. So I ask you. Mr. Secretary, are you asking for an end-strength increase to replace those 3,359 soldiers that were wounded, injured, or killed?

Secretary BROWNLEE. No, sir, we are not. We expect that we will replace those soldiers through our normal recruiting process. We have provided replacements in the theater for those soldiers who have been evacuated who have been both wounded and killed.

Mr. SKELTON. Are you asking for an increase in end-strength for the approximately 2,200 airmen requested from the United States Air Force to perform Army duties, Mr. Secretary?

Secretary BROWNLEE. Sir, my understanding is we have Army soldiers who are guarding Air Force bases. I guess I am not aware of aviators or airmen who are providing Army duties.

Mr. SKELTON. General, can you answer that question?

General SCHOOMAKER. I am not sure I quite understand the question.

Mr. SKELTON. Let me re-phrase the question. Is there not a request of the United States Air Force to furnish some 2,200 airmen to perform Army duties?

General SCHOOMAKER. You may be referring to the joint sourcing of requirements for the theater of operations. I am not aware of exact numbers. As we looked at sourcing the future rotations, we have looked where there are compatible capabilities across the joint force that would help relieve distress on the Army, where there were capabilities that were untapped and unused across the joint force.

Mr. SKELTON. So let me ask this question to either one of you gentlemen: Are you asking for an increase in end-strength for the approximately 4,000 sailors from the United States Navy to perform Army duties?

Secretary BROWNLEE. Sir, all I can tell you is that we had a number, again, of National Guard soldiers who were providing—

Mr. SKELTON. I am talking about sailors.

Secretary BROWNLEE. Sir, I am just not aware of requests for sailors. If there are, I am not aware of them. We have had Army soldiers providing security on ships during this conflict. They have been posted on there and providing security for some of the Navy's merchant ships or transport ships.

General SCHOOMAKER. I am a little confused by the question because we fight jointly, and we look at where we can get synergy across the joint force. It makes perfect sense to me that we would be looking for any and all capability across the entire Department of Defense (DOD) that we could apply against our contingent requirements. So the answer is, we are not asking for replacement for any of that.

What we are actually doing is asking for a temporary growth that gives us the seed corn to create increased capacity. We will have 10 active divisions, if we take the off-ramp, with 43 brigades. That is a 30 percent increase in strength. As was pointed out by Chairman Hunter, in fact in real fighting capability, that is a three-division increase as we have known it in the past. So we go from our 10 division to 13 divisions in fighting effect.

If you take a look at the reserve component and the National Guard, we retain 8 divisions with 34 brigades. That is a huge increase in capability of the United States Army within its statutory end-strength. To me, it is the most prudent course both fiscally, operationally, and strategically for the Army to do that, and to make it more joint so that we are able to operate more effectively with our joint partners.

Mr. SKELTON. Is my statement incorrect regarding the 2,200 from the Air Force and 4,000 from the Navy? Is it correct or incorrect?

Secretary BROWNLEE. Can we check, sir? I just do not know. I had not heard of it. We may take it for the record and would be happy to check it.

Mr. SKELTON. If you will take that question for the record, I would certainly appreciate it. Thank you.

Thank you, Mr. Chairman.

[The information referred to can be found in the Appendix beginning on page 449.]

The CHAIRMAN. I thank the gentleman.

Mr. Hefley.

Mr. HEFLEY. Thank you very much, and thank you for being here, both of you.

I have a lot of concern about the reserves. I think a lot of us do on this committee, the way they are being used; the frequency of their use. We are beginning to get more and more complaints from our employers saying we want to be patriotic, but we can't have key employees gone as much as they are gone. We get complaints from families saying, my spouse wants to do his duty, but gosh, enough is enough. I think that is going to begin to affect our retention. Any comments you have on that I would appreciate.

Second, I was just out in Germany last week, and the biggest complaint I got was that reservists are not treated the same as regular duty; that reservists who come do not ship a car. They arrive with two suitcases. That is all they are allowed. When they leave, they do not ship a car back; that they are on a different pay schedule. I got this complaint not just from the reservists who felt they were being mistreated, but from the regular people who thought their buddies that work beside them doing the same job in the same uniform, were being mistreated. I would like your comment on that, whether or not this is true, and if it is true, why is it true. It does not seem to make any sense to me.

Secretary BROWNLEE. Sir, I have heard one report I think in Germany when I was over there. There are some selected reservists who do serve in that capacity who do fall into that category. We are looking to see if we can resolve that now. I got the same report, probably at about the same time. I think it has not been a problem in the past because there have not been that many of them, but now there are. We are looking to see if we can resolve that, sir, but there are some of those. I am not sure why it happened either, just that they fall into a different category and we are trying to figure out what that is and work it out.

Mr. HEFLEY. But you recognize this is not fair, is not right, if we are going to talk about an Army of one. In fact, they make jokes about the Army of one concept because they say it is simply not true because of the way they are treated.

Secretary BROWNLEE. Yes, sir. And I appreciate that. We hear that also. Let me just say that both General Schoomaker and I are doing everything in our power to overcome that. We have one Army, and that is the way we want it viewed. These wonderful people who are serving as citizen soldiers on active duty are, as far as I am concerned, part of another greatest generation. I think they are marvelous people doing tremendous things for their country, and we appreciate it very much; them, their families and their employers, as well.

Let me give you an example. Recently, when we were preparing forces for the next rotation OIF II, that is now going over, there are three enhanced National Guard brigades that will go over and participate as a part of that force. General Schoomaker and I made the decision that those forces would have a higher priority than active components for issuing of equipment, what we call our rapid

fielding initiative. It is individual equipment, everything from scopes to night vision to sunglasses and kneepads. These are things that they did not have an opportunity to train on like some of the actives, and we made them first priority for that equipment. Our conversations with them indicate that they recognize and appreciate that. We want things to continue in that way. We do not want anyone to feel like they are second in any way. The Army is one Army.

Mr. HEFLEY. Do you want to comment on the utilization of them, the frequency of deployments?

General SCHOOMAKER. I would like to address that if I could. I would hope I would have a chance to do that.

If we were postured in the way our initiative is taking us; if we had what I just described, we would have a totally different situation on our hands. We would have a rotation cycle that would be predictable and would allow us to carry on the current level of effort without about one deployment out of three years on the active side, and one deployment of the current length on the reserve component side in five or six years. By increasing the number of deployable brigades, if we could snap our fingers and jump into that posture, it would solve almost all of the issues that you just talked about.

So I think the case that you are making there supports and puts emphasis on the reason why we ought to be taking advantage of this motion that we have going right now to set ourselves for the future, and not let ourselves re-set for the past, because it is going to continue with some of the problems that you just described.

Mr. HEFLEY. Thank you very much.

The CHAIRMAN. I thank the gentleman.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

General Schoomaker, Secretary Brownlee, thank you both for being here today and for everything you do for our country.

General Schoomaker, I realize you have a large number of responsibilities. One of those is health care at Walter Reed. I have recently been informed by representatives of the Disabled American Veterans that their representatives at Walter Reed are not allowed to visit patients and inform them of the programs, the opportunities that our nation can provide for soon to be discharged veterans. I do not know this to be true, but I was just told this.

Just as Secretary Brownlee was so kind to tell the committee that he appreciates us coming to him and making suggestions, I would hope in that light, since we are now taking young 18-, 19-, 20-year-old soldiers who probably never dreamt that they would get hurt, and who now find themselves leaving the Army under circumstances not to their liking, I don't think it could hurt to have one more group making them aware of the benefits that this Nation owes them. So I would ask that you would look into that. If that is the case, I would ask that you would reconsider that policy.

Secretary BROWNLEE. Yes, sir. Could I comment on that, sir? Just so you will know, when we first started receiving soldiers who are wounded and some of them, as you know, very grievously wounded, at Walter Reed and other places, we wanted to ensure that, many of these soldiers want to stay in the Army, but certainly

some of them are disabled to the extent that they can't, and they are going to become disabled veterans and be transferred to the Veterans Affairs Department.

I called Tony Principi. We agreed together that we would put together a seamless operation so that no soldier gets dropped at the footstep. We have had our people meet together. We have people from the Veterans Affairs Department working in Walter Reed and other hospitals. They start to counsel those soldiers very early on. We have people with them, too, and our goal is that none of these soldiers gets dropped off in this transition. We hand carry them.

I personally do not see anything wrong with the Disabled American Veterans being a part of this. If you let us check, we will find out, sir.

Mr. TAYLOR. Thank you, sir.

[The information referred to can be found in the Appendix beginning on page 455.]

Secretary BROWNLEE. I know in some cases they provide marvelous assistance. I am personally aware of that.

Mr. TAYLOR. Thank you. Again, it was just reported to me. I do not know it to be true, but I think it is a reasonable request on the part of that organization.

Secretary BROWNLEE. We will find out, sir.

Mr. TAYLOR. I very much appreciate, Secretary Brownlee, your coming by yesterday and talking about improvised explosive devices (IED). I very much appreciate your awareness of the problem and your willingness to address it. I will honor your request not to get specific on it since you have given me your assurance that you are working on it. I thought it was a reasonable request.

Secretary BROWNLEE. Thank you, sir.

Mr. TAYLOR. I was told that as a part of the mobilization last year of the guardsmen and reservists, that a large number of guardsmen in particular were not able to be mobilized on fairly short notice because of dental problems. I would hope that—again you have so many things on your plate—but I would hope that you would try to address that, since it is my opinion that we are going to be counting on the guard and reserve for a long time, and that on not all of these mobilizations will we be able to give them a lot of notice that we are calling them up. I know that we should strive to do so, but that is always not going to be the case. In a sense, it has been identified as a problem toward mobilization. I would hope that you all could do something toward that.

The last two things: A number of guardsmen and reservists are going to be facing a tough decision when they get home. They get caught up in the moment while they are over there. We have had, as you have said, very high reenlistment rates in-theater. But for those who have not reenlisted in-theater, they are going to get home to a spouse, two children, two employers who are going to be putting some questions in their minds as to whether or not they should stay in the service.

I would think that one of the things that we could do to tell those people that we value their service, that we want them to stay, is to revisit their retirement benefits. I know that a number of reserve organizations are asking for a 20-year retirement. I do not know that we as a nation can do that, but I would ask that you

would consider rewarding those guardsmen or reservists who serve more than 20 years by lowering their retirement age on some sort of a formula based on how much longer they have stayed in the guard and reserve past that 20 years.

I would also ask that we find a way of rewarding those guardsmen and reservists who have done extensive periods of active duty, whether it was voluntarily or involuntarily, because obviously a guy spending one year in Afghanistan or one year in Iraq is a heck of a lot tougher duty than the guy who is doing one weekend a month. That just stands to reason. We as a nation ought to find a way to reward those folks.

So I would hope as you look at your budget for this year and the following years, that you would consider that. I think it would be a good thing for the guardsmen and reservists. I think it would be a good thing for our Nation.

Secretary BROWNLEE. Sir, we will certainly take it under advisement. As you well know, the whole benefits issue probably needs to be reviewed. We need to ensure that we are in fact recognizing and rewarding those who serve. We have, as General Schoomaker can tell you, a large reservoir of reserve components, many of whom have not been called. So we want to be sure that we recognize and reward those who have served on active duty, and have been called up or volunteered to come up and do that.

The kinds of programs you have described, you probably know better than I do what those cost. Imposing those costs and absorbing them within our current budgets, of course, is very difficult, so we have not gone there. But we certainly agree with you that this kind of service deserves recognition and reward, and we are always looking for ways to do that.

Mr. TAYLOR. Thank you, Mr. Chairman.

Thank you, General.

The CHAIRMAN. I thank the gentleman.

The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Gentlemen, thank you for being with us. We appreciate very much the time that you are spending with us and the information that you are bringing to us.

Earlier today, Lieutenant General Cody gave us a very good and detailed briefing on transformation, particularly Army transformation, but also from a DOD perspective. Obviously, we are doing this because today's threat is different than it was some time ago.

In this morning's press, there is an article that reports on some testimony that was given yesterday by Central Intelligence Agency (CIA) Director George Tenet and Federal Bureau of Investigation (FBI) Director Mueller. I would just like to read the first part of it here, because it points out the nature of this threat. It says, "The al Qaeda terrorist group is still planning to attack the White House and the Congress, targets the group missed on September 11, and a growing extreme Muslim movement is threatening the United States, the directors of the FBI and the CIA told Congress yesterday. There are strong indications that al Qaeda will revisit missed targets until they succeed, such as they did with the World Trade Center, FBI Director Robert Mueller III told the Senate Select

Committee on Intelligence. The list of missed targets now includes both the White House, as well as the Capitol. Mr. Mueller said al Qaeda is seeking nuclear, chemical and biological weapons for attacks on targets that also include transportation systems such as subways, bridges, major cities and airlines."

The article goes on from there, but I think we all get the gist of it. I read this not because it talks necessarily about the Capitol and the White House, but because it points out the nature of this threat. So my question is, in the context of transformation, what is it about transformation that will make us better able, more capable in meeting these threats?

General SCHOOMAKER. Sir, first of all, I don't know any more about exactly what took place yesterday with Director Tenet than you do, except for what I read there, but it certainly is in tune with my feelings about the threat that we face and will continue to face. Through my own experience over the years, I know this is a formidable threat. It is an insidious threat. It is one that is going to be persistent, and one that is very, very dangerous to our way of life.

Specifically, what our transformation will do is permit us to deploy more agile, lethal, adaptable forces in concert with a strategy that allows us to act at our time and place of choosing, to do the kinds of things with the precision that is required to deal with this kind of threat. It is a significantly different capability than was required to stand toe to toe with the Soviet Union in a conventional battlefield in years past.

At the same time, it allows us to aggregate these very lethal forces into campaign quality formations to fight a conventional fight. I think that is it in a nutshell, from where I am. This is definitely the direction we need to go. If we allow ourselves to re-set into the previous formations with the previous mindsets and the previous understandings of single-service operations, going back to Congressman Skelton's issue, we do not fight as an Army alone anymore. We do not fight as a Navy alone. We do not fight as an Air Force and a Marine Corps alone. We fight as a joint team. It is perfectly reasonable for us to leverage each other's capabilities and to develop joint interdependencies unlike we have ever done in the past. That is what this force does.

Secretary BROWNLEE. Sir, I might just add one thought. Certainly, and General Schoomaker has brought as I said earlier such wonderful new meaning to transformation, and it applies to our strategy of attacking them where they spawn and live, and where they fester, more or less. But it also includes our reserve components, especially the National Guard, who clearly have a homeland security mission. This transformation includes them, as well.

Certainly this program we just announced Monday to revitalize Army aviation includes new helicopters for the Army, guard and reserve, which we think they desperately need, not just for their missions when we deploy them, but for homeland defense, as well.

Mr. SAXTON. Thank you, Mr. Chairman.

Thank you very much, gentlemen.

The CHAIRMAN. I thank the gentleman.

Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

Gentlemen, thank you for being here.

Mr. Secretary and General Schoomaker, I don't know that this applies to the question that Mr. Skelton asked, but in December I was approached by a gentleman in El Paso who was concerned because his son is currently in the Air Force and he is part of a transportation company or battalion, I forget which one. They had just received orders or had been put on alert for duty in Iraq to replace an Army transportation unit.

So I do not know if Mr. Skelton was referring to in terms of his question, but I know that when Secretary Rumsfeld was here, I asked him that question from the concerns expressed by the parent. His concerns were the following: That they are going to replace an Army unit is fine, but he was concerned that they received the training, the equipment, the survival, the evasive. The 507th came from my district, so that is fresh in the minds of all of those that have fighting men and women in-theater.

So, obviously, they are concerned that if you are, understanding that you want to fight using jointness, that everyone receives the kind of equipment and training and all of the things that offer maximum protection, as much as you can protect somebody that is in a combat situation, in a difficult environment like Iraq is today.

So can you comment on that from that perspective?

General SCHOOMAKER. If that is the essence of Congressman Skelton's question, that makes a lot of sense to me. You are exactly right. We have asked for, in the Joint Chiefs of Staff we have taken a look in the Joint Staff at what other capabilities reside across the services, like finance and personnel and transportation and engineering and things like that, that would be available to continue and to relieve some of the stress purely on the Army force.

Transportation is one of those areas. I can assure you that we are not talking about taking Air Force transportation units, first of all because they do not come with trucks and they do not come with maintenance. They just come with drivers, which is a lot different than Army transportation. So we are not talking about taking them or plugging them into tactical formations.

We are talking about doing transportation things, moving supplies, moving parts, moving things for instance in Kuwait where we have a lot of transportation requirements, but certainly not plugging them into division structure, similar to what you just described. They will go through the theater-required validations to make sure that they have the skills to do the job that is going to be required of them.

If that is the essence of the question, the answer is yes, that is occurring, just like the Air Force asked us to guard air bases. So we have soldiers guarding air bases for them, so that their security police can do expeditionary things with their expeditionary airfields. Just like we guarded the equipment on Navy ships, so that their security people could focus on ports and the kinds of things where they had to perform security functions. From a soldier's perspective and from a joint officer's perspective, this makes perfect sense.

Of course, we always want to make sure we have prepared all of our young people, regardless of what service, to perform the

tasks which we ask them to perform and do it in a manner that is prudent and safe.

Mr. REYES. Maybe, at least it would be useful for me, because when he asked that question, and even when I asked the question of Secretary Rumsfeld, I assumed that you were going to take Air Force trucks and all of their support capabilities, and transfer them in.

General SCHOOMAKER. The Air Force does not have tactical vehicles to the extent that the Army does. Generally, what they have in their transportation units is they go down to the base transportation motor pool and draw a vehicle that are maintained in that motor pool. They are not an integral unit for deployment in that regard.

That is not to say there aren't some in the Air Force, obviously, for their Air Expeditionary Forces, but in the main they are not organized in the manner the Army is organized for tactical operations. It is different requirements altogether.

Mr. REYES. Are there possibly other areas where we can be provided a briefing on some of these joint type tactical decisions that you are making so that we have the information so that we can reassure parents, spouses that are very much concerned?

General SCHOOMAKER. Absolutely. I think just real quickly here, and we will get you even more detail, but if you take a look at Landstuhl in Germany, that is manned Army and Air Force. We use joint doctors. It is under joint management there and everything else.

If you take a look at the capability of Navy Seabees and Marine engineer units and Air Force Red Horse, there are capabilities there in engineering that are applicable to the kinds of work that we do in the stability and support operations. If you take a look at the security police, MP business, we have joint capability that we could be leveraging across that; and of course in finance and personnel and in a bunch of areas.

So it just makes a lot of sense to use the whole team and to use the capabilities, which is what we are—it is a capability-based force. As we go into the future, we will look for increasing joint capabilities as we build our force structures for the future, but we will get you the detail on it.

Mr. REYES. Mr. Chairman, it might be a good idea to have a separate briefing on some of these issues so that we can speak with a degree of understanding and reassurance to those that ask those questions in town hall meetings and things like that.

The CHAIRMAN. This might be one of our good candidates for one of our early morning bagel briefings here, so Mr. Reyes, we will fire it up.

Mr. REYES. Right.

General SCHOOMAKER. I am reminded here, it is really a Joint Staff issue, and what we ought to do is get the view there and have a comprehensive presentation of what we are doing.

The CHAIRMAN. Okay. We will be happy to do that.

General, Mr. Secretary, we have a little thing that we do now on a lot of these issues. We will have an early morning briefing, kind of an informal breakfast where we sit around and you can ask lots of candid questions. This might be a good candidate here.

Mr. Everett.

Mr. EVERETT. Thank you, Mr. Chairman.

Mr. Secretary and General, welcome. Thank you for your service. I appreciate your return to active duty, especially giving up what you gave up. I ride around with my dog in my truck every morning that I am at home, and I do not have a cell phone. [Laughter.]

I had a little senior moment there, I guess, or something.

Up until I moved out on my farm about a year and a half ago, I lived three miles from the Enterprise gate at Fort Rucker. I have to confess to you that when I talked to General Sinclair and found out that the Comanche had been cancelled, I had some pretty tough moments. As a matter of fact, I had to have a couple of days to look at what was happening and to try to keep an open mind about this.

Having said that, I have some questions that I would like to get to. I will begin by saying it seems clear to me and others that Army aviation is a critical component of the Army's transformation. The canceling of the Comanche may put this in question. First of all, I would like for you to reaffirm the importance of Army aviation as far as the Army transformation.

Secretary BROWNEE. Yes, sir, absolutely. This was to fix Army aviation, sir. The study that General Schoomaker directed the Army staff to do did not begin with the thought of terminating Comanche. It began with a thought of how do we fix Army aviation. It is that critically important. Not only does it include over the FYDP, the Future Years Defense Program, the procurement of almost 800 new aircraft, it includes the refurbishment of 1,400 aircraft of our fleet.

Mr. EVERETT. We are refurbishing and buying new aircraft, 2,200 of them for 129 Comanches, roughly.

General SCHOOMAKER. It is 121 Comanches.

Mr. EVERETT. 121 Comanches.

General SCHOOMAKER. It is \$14.6 billion.

Mr. EVERETT. I want to ask you about that \$14.6 billion and what we are going to do with it. The Comanche is the most advanced helicopter program in the entire Department of Defense. That is a huge step, canceling it. This proposal seems like we are regressing, or going backward. Are we?

General SCHOOMAKER. No, sir. First of all, I got the commitment of the Secretary of Defense, the President and the Office of Management and Budget (OMB) that we would be allowed to move what was in Comanche into fixing Army aviation. We have over \$100 billion invested in our Army aviation fleet. We have a mismatch in brigade structure there; seven different kinds of aviation brigades that we are now standardizing. So we have them across the active and the guard and the reserve. We are putting into the aircraft fleet that we are talking about with this money, aircraft survivability equipment that will provide protection for our aircraft in the kind of threat environment that we have. Comanche did not do that. For us to be able to protect Comanche in this environment it would have cost us billions more to be able to do that.

Mr. EVERETT. I understand that the Comanche actually once it opened its gun bays, it could be seen.

General SCHOOMAKER. It is not only opening the gun bays, but if you were going to protect it against the information operations (IO) threat, you would have to hang others things on the outside that do not go inside of it. So you lose the essence of the program.

I would also tell you that we are moving in Apache to block three, which takes it to Comanche block one-level of capability. So we are not losing capability here within this area.

Mr. EVERETT. Except possibly speed?

General SCHOOMAKER. Excuse me?

Mr. EVERETT. Except possibly speed? Let's say the Apache will do about 119 knots and the Comanche was going to be a little faster than that?

General SCHOOMAKER. The Comanche was faster than the Apache would be.

Mr. EVERETT. Of course, the Comanche was to replace the Warrior.

General SCHOOMAKER. That is correct.

Mr. EVERETT. It would go between 70 and 80 knots.

General SCHOOMAKER. That is correct.

Mr. EVERETT. Which didn't make sense because it was supposed to be the scout aircraft for the Apache, and yet it had to fly behind the Apache because it could not keep up with it.

Let me ask you, if this plan goes forward, are you committed to provide the resources necessary to train the additional pilots at Fort Rucker?

General SCHOOMAKER. That is correct.

Mr. EVERETT. Okay.

General SCHOOMAKER. This also funds the aviation school 21 construct.

Mr. EVERETT. Flight School 21?

General SCHOOMAKER. That is correct, Flight School 21 construct.

Mr. EVERETT. I thought we had that in the program objective memorandum (POM) already this year?

General SCHOOMAKER. It is, sir.

Mr. EVERETT. Okay. But this is additional money?

General SCHOOMAKER. What this does is provide the advanced aircraft that Flight School 21 needs to do it.

Mr. EVERETT. Okay. The Comanche program was set to receive \$1.2 billion in 2005 and \$14.6 billion to fiscal year 2011. Can you assure this committee that all this money will be spent on Army aviation in light of the many competing interests, not only within the Department of Defense, but also the government at large?

General SCHOOMAKER. Sir, I can assure you that the Department of Defense and the White House has told us that is true, and the OMB. It is up to the Hill to determine whether that money goes to Army aviation. So I am asking for your support to ensure that that money does go there.

Mr. EVERETT. From an operational standpoint, has the Army determined from lessons learned in Afghanistan and Iraq that the unmanned aerial vehicle (UAV)/manned helicopter should be shifted more toward UAVs? If so, could you please explain that?

General SCHOOMAKER. Sir, the residual of the Comanche program is going into tech base, which specifically is going to look at

the advanced UAVs, as well as the advanced joint rotorcraft. What we are putting into Apache will allow it to do level-four control of UAV just like Comanche was going to do.

Mr. EVERETT. Finally, Mr. Chairman, I have one other question. You have told the committee that part of the restructuring of Army aviation that you plan to leverage this technology base we have achieved from the Comanche for future joint aviation programs. Is it fair to say that as a part of this effort, the Army will begin an estimated \$2 billion development effort for a new joint multi-role helicopter? Please describe to us a plan to move out on this effort. When do you expect this joint helicopter will be fielded and what will its capabilities be?

General SCHOOMAKER. We are going to move out as soon as we get approval to do this recommendation that we have had. There is some money in the 2005 budget that will go to start that tech-based development.

Mr. EVERETT. Is that the \$2 billion that we are talking about?

General SCHOOMAKER. It is a little less than that in 2005. It is about \$500 million.

Secretary BROWNLEE. Over the FYDP, I believe that is about \$500 million, sir. Some of this is contingent on the final determination of termination liabilities and how much money is left.

General SCHOOMAKER. But the time frame we are talking about is the 2020 to 2025 time frame.

Mr. EVERETT. I am assuming that Comanche is not altogether a bad idea. It is just an expensive idea and we are in the position right now where we need the bucks for something else, and that is basically to get—

General SCHOOMAKER. Comanche was a wonderful idea up until about 1989.

Mr. EVERETT. We started hanging everything in the world on top of it, and it went from \$16 million to \$46 million.

General SCHOOMAKER. We started seeing that kind of threat disappear that it was prepared for, and then it continued to disappear over this last decade. It was becoming obvious now that we have had 2 years of war and have lost 9 aircraft and 32 lives to a different kind of threat, that we should not proceed and put all of our eggs in that basket. It makes more sense to do what we are doing.

Mr. EVERETT. Gentlemen, thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Just to follow up briefly, as we do this new multi-role chopper, I think it is important that it has characteristics that allow us to pivot off that technology into the domestic market. I would hope that you folks would make sure that we design it in that way. Is that a consideration?

Secretary BROWNLEE. Yes, sir. Sir, it is now, sir. [Laughter.]

The CHAIRMAN. Good.

Secretary BROWNLEE. It certainly should have been. I have to tell you that this is a joint program and certainly it is in the formative stages. Certainly, we will want to leverage on what is there and make sure that that is also transferable to the private sector.

The CHAIRMAN. It is a big aspect of what we do. It is a big national investment.

General SCHOOMAKER. A point well made, sir. We should do that.

The CHAIRMAN. Okay. Thank you very much. I thank the gentlemen.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Welcome, gentlemen, we appreciate your being here today.

General, I was at Fort Polk on Monday with some of the Arkansas delegation. We have several thousand of our Arkansans from the 39th brigade that are in the last part of their training. They feel very good about the training they are getting down there. But there are two specific questions, and I don't think I need you to give me an answer now, but if somebody could get in touch with my office. But some of the folks that are there had been activated for I believe it was a six-month tour in the Sinai, plus they had some training time before then. They have now been activated and will be going to Iraq.

Apparently, they are concerned, and you will appreciate this concern, having been drawn out of retirement, General; but their concern is that they will somehow hit this 24-month activation and be pulled back from Iraq before their unit is scheduled to come home. They are of the belief that they are supposed to get some kind of waiver or paper sign-off giving them the knowledge that they will not be pulled back from Iraq, but they will be able to complete the tour.

General SCHOOMAKER. Sir, they were not mobilized for the Sinai if that is where they were under partial mobilization. They were under Presidential selected reserve call-up. Partial mobilization is contingency-dependent. So they should not be affected by the previous deployment.

Dr. SNYDER. That would be good.

The other issue that came up is, some of the folks are going over with advance units, so they are staggered over several weeks. This policy of 12 months on the ground, is it fair to say it actually begins when the whole unit is intact together, and that for those folks who go over in advance, they are actually going to be there for a few weeks longer?

General SCHOOMAKER. That is a better description. We call it center or mass of the unit, but basically what we are looking at is the unit. There obviously will be individuals that will be there somewhat shorter or somewhat longer. It is the unit that we are looking at.

Dr. SNYDER. I wanted to ask some questions about the whole thing of transformation, which the briefing this morning described as the biggest change in the Army in 50 years. I wanted to ask about costs. As you look at building these capabilities with the brigades and the transition that is going to occur over the next several years, do you have a cost estimate in fiscal year 2004 or 2005 or 2006 or 2007, and what those costs will be to do those kinds of changes?

General SCHOOMAKER. The answer is yes. I don't have it available, but we would be able to provide that for the record if you want to look at it. It is continuing to develop as we take a look at the order in which we might realize it. We made a decision that

we are probably going to do a heavy brigade, which we are already doing this year with the Third Infantry Division (ID).

[The information referred to can be found in the Appendix beginning on page 457.]

Dr. SNYDER. If I might interrupt, General, and go back to cost. Sorry to interrupt, but we have only five minutes. My understanding is that the estimate for 2004 is \$1.2 billion; for 2005, it is \$1.6 billion; for 2006, it is \$3.1 billion; for 2007, it is \$4.0 billion; for fiscal years 2008 through 2011, a total of \$10.2 billion; for a total of \$20.1 billion over that period of time. Does that sound like it is in the ballpark?

General SCHOOMAKER. That sounds in the ballpark, yes, sir.

Dr. SNYDER. If those numbers are correct, and I have been assured that they are, why can that not be budgeted for as part of the regular authorization or appropriations process?

General SCHOOMAKER. Sir, some of it is, but the majority of it is re-set money as we bring units out of the theater and refurbish their equipment and re-set the force that served in the theater. For instance, if you take a look at the units we are re-setting, we are re-setting the ones that are returning from Iraq or Afghanistan. We are using that momentum and those resources to re-set ourselves. So a lot of it is supplemental money, not inside the budget.

Dr. SNYDER. General, in your opening statement, you stated that if the Congress were to do a change in the end-strength, and I have signed onto any bills that do that, so I am still trying to sort this out. Your exact words were, this will jeopardize future readiness. Explain to me why—I think Ms. Tauscher has a bill to deal with end-strength for really a short period of time, for five years—but why would congressional action to do what you are doing, when you see these numbers going up and the President still has some flexibility in there, even if the Congress were to act—explain how does that jeopardize future readiness?

General SCHOOMAKER. Sir, I would be very happy to, and I will have Secretary Brownlee, who is an expert in the way that Congress works here.

Secretary BROWNLEE. Let me just explain what some of our assumptions were here. We looked at our own budget. If in fact we tried to pay for this out of our budget and out of our future year defense program, if we just presumed that an additional 10,000 soldiers cost us about \$1.2 billion per year, and we tried to add 30,000 in our budget, we would have to go in and take out \$3.6 billion in the first year, and then in the out-years thereon, and we would have to pay for that out of the programs within the Army's budget.

Now, since it is not in our budget because we think it is more appropriate to pay for those costs out of supplemental appropriations, if the decision were made here in the Congress to pay for those 30,000 soldiers over here, you have issues over here that we really do not have. I know that because I worked over here a long time, in that your budget is scored by the Congressional Budget Office and you have certain outlay targets you have to meet. You have budget authority and outlays.

Some programs outlay at greater rates than others. Military personnel outlays over 90 percent. It is about one for one. So for you to go back into our budget and find \$3.6 billion of outlay and ac-

count for the outlays, if you had to take that out of operations and maintenance (O&M) funds, they outlay at rates from 50 percent to 75 percent, as opposed to 1 to 1; research and development (R&D) accounts outlay at about 30 percent; and procurements count anywhere from 25 percent down to 1 or 2 percent. You might have to cut somewhere between \$6 billion to \$10 billion or \$12 billion out of other programs in order to find \$3.6 billion of military personnel (MILPERS).

I hope that is not too confusing, but it is what your committees have to deal with in making sure that you balance your budget authorities and outlays in accordance with the targets given you. It is just one of the things you would have to face. Quite frankly, when we were looking at this and trying to find the best way to do it, of course the first we looked at was authority, and clearly the Congress provided an authority for peacetime, which is authorized end-strength; an authority for wartime, which is in Title X, paragraph 123(a), which allows the President to waive or defer the end-strength, and let the force grow to meet the conflict. When we asked how are we paying for that growth now, we were paying for it out of supplemental appropriations. We looked at historical precedents, and it had been done the same way. It seemed right from a precedent point of view and it certainly seems right because it is better for us and better for you.

The last point is, because General Schoomaker and I intend that this bubble of headspace and flexibility is temporary. We feel a huge responsibility to go into the Army that we have at 482.4 end-strength and find the efficiencies within that force so that at the end of this period we can keep these combat brigades we have created with this headspace, but at the original end-strength of 482.4. That is our strategy and our goal.

Dr. SNYDER. My time is up. Mr. Secretary, it might be helpful to have you prepare a written summary, because when I ask questions about jeopardizing future readiness, you are talking about something that you are intimately involved with over here, which is how we do our appropriations, authorizations and outlays. It is pretty complicated stuff. If we had a two-or three-page summary, that might be helpful to answer some of these questions.

Secretary BROWNLEE. Yes, sir. I would be happy to do it. The impact on readiness could occur if the money had to come out of O&M in order to make pay for the MILPERS bill.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here. Got your pencils ready?

Secretary BROWNLEE. Yes, sir.

Mr. HAYES. General Schoomaker and Secretary Brownlee, I am aware that IMA, the Installation Management Agency, has been charged with standardizing installations across the Army. While some standardization across the Army can be useful, I am concerned about IMA as the Army tries to transform, fight a war, and take care of soldiers.

Additionally, we are embarking on another round of BRAC which may fundamentally alter the face of many installations as we move toward more joint basing concept. Please tell me about the funding contained in your budget for IMA; how much of this funding used to go to United States Army Forces Command (FORCSCOM) and how much to individual installations.

Additionally, we are told that Sustainment, Restoration and Modernization (SRM) is only being funded at 70 percent and sometimes I question that. How is IMA funding in its quest to make every Army installation look the same, a wise investment now, when we aren't even fixing leaky roofs at our installations? Bragg is not like Jackson, is not like Polk, is not like the National Training Center (NTC). The curtains at General Vines's house don't need to look like the curtains at somebody else's house. I see an expense, but I don't see the value to go with it.

Thank you.

Secretary BROWNLEE. Sir, if I could take the detailed response to that for the record, I will. Let me just say that we would like to provide more funding to the SRM and to IMA. General Schoomaker and I have agreed that our installations should truly be flagships for the Army. We want them to represent the very best.

Part of the intent of stabilizing the force and stopping so much movement and turbulence in the Army is also associated with building up our installations here in the continental United States (CONUS), bringing our forces back from overseas stations and putting them at home stations and building those up. That is part of our plan.

We are always challenged to find enough money to meet the demands for our installations. We are doing that every day on a daily basis. I personally do not feel obsessed with making everything look alike either. I agree with you. If we are doing that, I think we have created the wrong impression. What we really want to do is make them all better. That is our intent. But there is no intent on my part or anybody that I know to make them all look alike.

General SCHOOMAKER. Sir, if I could, I will be very brief. When the 18th Airborne Corps Headquarters deploys to Afghanistan; when the 101st goes to Iraq, their headquarters division; when the 10th Mountain Division goes to Afghanistan; when the 3rd (ID) goes from Fort Stewart, who is running the installations? Air System Command. That's right. What we have here is a means by which we can provide some direction and some standardization, prioritization and make sure that it is being done right.

What happened in the previous times, and I have lived on all these installations for a long time and had to compete on those installations with the kinds of things, it is not the best way to do business and it is time for us to transform and do it more effectively and more efficiently and make sure that we are creating flagship installations.

Mr. HAYES. I appreciate the comments. You and I are on the same page. We had the death by PowerPoint presentation from IMA and asked a number of questions two months ago, the answers to which are not forthcoming, least of which is why are you spending money on these flip charts when you could be fixing my roof and helping my soldiers. That is my point.

General SCHOOMAKER. That is a good point.

Mr. HAYES. Thank you. You have been doing a good job of fixing there.

Secretary BROWNLEE. Thank you, sir.

The CHAIRMAN. I thank the gentleman.

Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman, and thank you, gentlemen, for being here today before us.

I, as usual, have a lot of questions. I would like to first of all start off with the recent press reports raised about serious concerns to this committee about the problem of sexual assault against female soldiers serving in Iraq. I know that you have done some preliminary analysis of the rate of sexual assault crimes in OIF. Could you summarize your findings on that issue? Do you believe that there is an in ordinate rate of sexual violence among our troops deployed in Iraq?

Secretary BROWNLEE. If I could take that, please. We always watch this very carefully. Of course, those that are reported, we believe are for the most part, not always, but for the most part treated right. They are investigated. The young women who are the victims, we intend to be treated properly and to receive the right kind of both medical and other counseling and care.

The problem that we have had in the past sometimes is that in many cases these go unreported. We do not want that. We want an environment where these young women will feel free to report. One of the most successful things we have had is kind of a buddy system for them.

What I did when this came to light that there were cases out there which had gone unreported, which were now coming to light, is that we assembled a task force within the Army. I directed them to undertake a study on this to see what we could do, because the problem is you don't know what you don't know in those that are unreported.

One of the things we had already done, recognizing that some had been reported, but maybe some had not been, we had already started a survey to see if we could determine from the results of the survey if there were assaults out there that had not been reported.

Ms. SANCHEZ. Do you think a soldier is less likely to report a sexual assault than a civilian?

Secretary BROWNLEE. I don't know. I just don't know. It may be true that it might be less likely to be reported depending on where the soldier is and what the soldier is doing and the conditions at the time. I suppose that is true. What we want to have is an environment where if a young woman is assaulted, she feels like she is in an environment where she can report it in some way, so we can take care of her and hopefully stop this. But as I said, our survey was still being conducted and we did not have the results.

So I went ahead and appointed a task force. This was when these first came to light. We are working at that very diligently and intend to. We take it very seriously. I personally do. It is not just enough to react when an incident is reported. I believe that we must create an environment where these young women feel free to tell someone what has happened. That is what we want.

Ms. SANCHEZ. The Unified Code of Military Justice (UCMJ) provisions defining sexual assault have remained basically unchanged since the 1950's. I think you will agree that there has been a lot of extensive changes in American law since that time. In fact, in 2001 there was the Cox Commission recommendation that rape and forcible sodomy statutes in the UCMJ should be repealed and replaced by more comprehensive sexual abuse statutes that mirror what we have in Title XVIII. Do you believe it is time to adopt this recommendation and revise the UCMJ?

Secretary BROWNLEE. Ma'am, I would have to research that more thoroughly. I am just not prepared to give you an answer on that. I would be happy to look into it.

[The information referred to can be found in the Appendix beginning on page 458.]

Ms. SANCHEZ. Okay. We will leave that for you to answer in writing.

Can you outline for me what victim support services are available to soldiers who suffer sexual assaults in Iraq, in the zone?

Secretary BROWNLEE. I can give you a general sense. I would be happy to provide for the record a more strict accounting of that. If a young woman reports a sexual assault, we want to ensure that she receives immediate medical attention; that she receives counseling that she may require; that she is protected; that she does not feel threatened by her situation or her environment or anyone around her.

We want to investigate thoroughly and find out who did this and take appropriate action. Those are essentially the things that we would do. We certainly want to care for her in every way. On the other side, we want to investigate and find out what happened exactly and who is responsible, and take appropriate action.

[The information referred to can be found in the Appendix beginning on page 458.]

Mr. SAXTON [presiding]. Mr. Secretary, thank you very much.

Mr. Simmons.

Mr. SIMMONS. Thank you, Mr. Chairman.

I thank the panel for being here today.

I have questions for several panel members, and because of the time limitation, what I would like to do if I could is ask each question in sequence, and then wait for the answers. My first question will go to Acting Secretary Brownlee. I thank you for the correspondence that you and I have had on a number of soldier issues dating back to last fall, a very comprehensive response to my concerns for O'Garra-Hess plates for guard and reserve, to body armor, and most recently up-armor for humvee (HMMWV)s doors and windows.

I note, Mr. Secretary, on page 13, a comparison of where we were a year ago and where we are today on the HMMWV issue. I note for the record that I went out to Ohio to the O'Garra-Hess facility and you followed me out there a few days later.

Secretary BROWNLEE. Yes, I did.

Mr. SIMMONS. My question for you, and I will just ask it and move to the next question, is describe the actions that you have taken to address the issue of armor for HMMWVs, and when we think that our soldiers will be fully protected with up-armor and

windshields, and if there is anything else that this committee or this Congress can do to address that issue.

Secretary BROWNLEE. Okay, sir.

Mr. SIMMONS. Point two for General Schoomaker: You never should have answered your cell phone. My wife does not allow me to take it on vacations and that is probably a good thing. My question for you goes to the issue of transformation. I have here a book which is Transforming the Legions: The Army and the Future of Land Warfare, which is a very interesting analysis by the Center for Strategic and Budgetary Assessments on Transformation. They indicate on page 85 that when the German general staff was transforming the German army in the period prior to World War II, General Hans Von Seeckt served for 7 years in a leadership position to make sure the transformation took place; that when the American Navy transformed, Admiral William Moffett first served for 12 consecutive years. How long do you intend to be in your current position to work on this transition? Seven years? Twelve years?

It is a serious issue because your predecessor was in for four years. Military rotation usually involves quick tours. To make these things stick and to deal with what they call the counter-revolution to transformation, which is bureaucratic politics, it takes a long period of time of service to make the transformation work. So I would be interested in your thoughts on that.

Then I would like to switch briefly to the guard and reserve. I know we have General Helmly and General Schultz here. On page 10, there is a photo of helicopter maintenance and repair folks in the field. They are not named, but the 1109th Aviation Classification and Repair Depot (AVCRAD), which is a Connecticut unit, just returned on Monday of this week. They have been maintaining and repairing helicopters in Kuwait with people in Iraq. Two things, one, they were the first aviation repair and maintenance unit to go over there. They took everything they had out of Groton, over \$10 million worth of material, test-bed materials, not just screw drivers and hammers. Much of that is being left behind, so they will now be moving into an empty facility in Groton-New London, unable to perform their basic mission because a lot of those materials that they took have been left behind. I requested last year for \$10 million to make them whole in the supplemental. That was turned down, so now I am looking at this cycle to see how we make a unit like this whole.

Second, the commander of the unit, Colonel Erickson, who is a test pilot for Sikorsky, says he has great concerns about the numbers of helicopters that we have in the field and in the inventory to perform the mission. Not only are they being beat up in the war on Afghanistan and in Iraq, but they are being beat up by the weather, by the dust, the dirt and the sand. This kind of shifts me back to the whole panel.

When we are surprised, as I was, with the Comanche announcement, that followed a visit down to Sikorsky; when we were surprised by the Comanche announcement, right away I am thinking, where are these dollars going to go? Are these dollars going to go into the helicopter force that is in serious trouble, that we are holding them together, and people have come back from the field, who

I respect, who are knowledgeable, and are telling me, we have a serious problem there. Are these dollars going to go somewhere else? And what about the very skilled designers and workers at Sikorsky down in Bridgeport, what about them? Are those skill sets going to be lost because this money is going to go some other place?

My time has run out, and I thank you.

Mr. SAXTON. The gentleman has left no time for the answers to his many questions. [Laughter.]

Secretary BROWNLEE. Thank you, sir. Should we respond?

Mr. SAXTON. Yes, please, if you can do it quickly. What happens here is that the ladies and gentlemen in the first row get real itchy when we each take 10 minutes. So if you could keep the answers short, we would appreciate it.

Secretary BROWNLEE. Sir, let me respond first to your question on up-armored HMMWVs. We consider this as a matter of force protection. In the Army, General Schoomaker and I have said both in writing, and we say it every day, if it involves force protection for soldiers, it is our most urgent highest priority. It will be worked on 24 hours a day, 7 days a week. There is no limitation on it. That is from development, testing, procurement, right on through transportation and distribution. Up-armored HMMWVs fall into that category.

As you know, when the war ended, we had a few hundred there. The situational operational environment changed, and we suddenly saw the requirements start to go up. They went to 1,000 and we ramped up to do that; to 2,000, we ramped up again. They went to 3,000. At that time, when they were 3,000, General Schoomaker and I testified before the Senate Armed Services Committee that the best estimate we had at the time of filling that requirement, that those would not be produced until May, 2005. Now, that was unacceptable to us, and we know it would be to you.

So through a whole series of actions by the Army and the industry, we have worked together. I had an industry day where I had truck makers to include HMMWVs, and the armor makers that we could get to come in. We all met and the question was, what can we do to fix this? We need a World War II-type industry-military effort, to get together, put the proprietary interests and everything else aside, and let us get this done for soldiers.

My follow-up trip was to AM General, to meet the chief executive officer (CEO) there, with the CEO from O'Gara-Hess. We went through that plant. The three of us went together to O'Gara-Hess. Then we sat down together and I said, show me a ramp that is the fastest rate you can produce these. We know or we are told that we can get to a rate of 220 per month by May. We agreed in that room that they could add 50 per month for the next 5 months. That should allow us to reach the production goal of not 3,000, but 4,149 by the end of July 2004. Hopefully, it will not take more than 60 to 90 days to get them over there and into the hands of the soldiers, but that fields them much quicker.

I commend the members of the industry, both AM General, O'Gara-Hess and all their suppliers who have come to the table on that. We are now going through the Army's budget to find the money to fund that ramp increase, but we intend to do it.

Okay, sir?

Mr. SIMMONS. Thank you very much.

Secretary BROWNLEE. Thanks for your help and leadership on this issue, sir.

Mr. SAXTON. Ms. Tauscher is next. Thank you.

Ms. TAUSCHER. Thank you, Mr. Chairman.

Secretary Brownlee and General Schoomaker, thank you very much for all of the work that you are doing. I am very impressed by all of the things that I have heard from General Casey and General Cody and others. I really support this initiative to create more capability, but I am really concerned about the way we are going to be funding this. Just to clear the record, even though I keep hearing that you are all very concerned about a permanent increase of end-strength, I do not know of anybody who has suggested a permanent increase of end-strength. My bill, which is the only bill out there, is a temporary increase in end-strength, for the very reasons that we would want to have a temporary increase in end-strength, to give you more capabilities. So we seem to be talking past each other about this.

I think it is important to structure and rebalance, using the AC-RC mix. We are going to 43 brigades. I would like to know a couple of things about where exactly these new ten brigades are going to come from. I have been told that the new brigades are going to be made up of a portion of the 30,000 people that are brought in under the emergency end-strength increase.

How many of the 30,000 are new people, as opposed to restructured existing slots? If some of the 30,000 will be brought into the new brigades, why is not the Army recognizing the ongoing need for increased end-strength, temporary or permanent, and seeking authorization for the increase and funding it through the regular budget?

My problem is this, I am for what you want to do; I do not like the way you want to pay for it. I am not sure that actually these would be your choices, other than more senior people in the Pentagon's choices. What we have created is a separate set of books for Iraq and Afghanistan, that is outside the budget. It creates many, many problems, gentlemen, including the fact that this committee, which has to make significant decisions on policy and resources in an ongoing way, out many future years, basically has two places to look for information—the separate set of books for Iraq and Afghanistan called the supplemental, and the regular budget. There is a blending going on every day.

So that blending may be convenience, and it certainly avoids hard choices that the Pentagon would have to make in other programs, but what it really is doing is not only diluting our ability to have any accountability and any ability to understand what is going on, but I think it is putting you all behind the eight-ball. I do not believe that what this is is a spike. I believe it is a plateau. Our efforts to work with you on a temporary increase are now going to be funded in a way that we cannot ever be sure that we are doing the right thing.

If you could answer those questions, I would appreciate it.

General SCHOOMAKER. First of all, I really appreciate all of your effort that you have taken to understand with us. I don't think we disagree. I think the problem is a practical problem. That is, that

we have a fixed topline in our budget, and that we know we have to do this. We know that we cannot afford to do this inside of our budget. So what we did is the best we could to offer a solution, and that is what we did on it.

Second, the Army is like a river. We have 63,000 people every day that are coming and going in the Army. So to answer your question about specifically are these new people, old people, what kind of people they are that will form these brigades, they will be formed out of soldiers that are on active duty. Some of them will be new ones we assess and train. Some of them will be relocated within the structure we have. Some of them will come from wherever they need to come from as we re-form. Some of them are already in these divisions and will be divided in different ways, and then augmented by additional people.

The last thing that I think is really important here is that in the end, what we want to do is make sure we have more capability within our own resources. It really is very important that we take this opportunity of all of this turmoil that we have, of re-setting and all this motion, to re-set ourselves the future and not try to re-set ourselves the way we were. That is really the best answer I can give you. I think we want the same thing. It is just that you have to understand the practical realities of what is within our purview.

Ms. TAUSCHER. I do understand, General. I understand the rock and the hard place that you are stuck between, but you have to understand my position, too. I have got to be accountable for this money, and I cannot be; \$166 billion of supplementals, and I cannot tell you where a farthing of it has gone. We cannot have this continue and act as if this is an emergency or a contingency that we could not plan for, and have it operate outside the budget.

So much of what we are doing is inside of transformation and all of the other things that are happening is happening on the back of this supplemental. I cannot be accountable for it and I don't think that we want a government that says, I can't tell you where the money went.

General SCHOOMAKER. I can assure you we are accounting for the money. From my perspective, there is nothing stealthy or deceitful about this. The budget is open and the supplemental is open. We are required to manage it appropriately and be accountable to be good stewards of this money. I really do not have anywhere else I can go on it.

Secretary BROWNLEE. Yes, ma'am. Again, let me thank you also. We know that you are trying to help us. We are not in disagreement with any of that. It is pretty clear why we chose the way we did, but again, as we looked at what we were dealing with and knowing what you have to deal with over here when you put your budgets together, and the fact that there is an emergency and there is a wartime authority, this clearly appeared to be to us the best way to do this, not just for us, but for you, as well.

As far as the accounting for the supplemental, General Schoomaker is right. We do account for every farthing, and we are accountable for that. We do not see that as any under-the-table deal. The supplementals are right out there for everybody to look at. Each of you have the opportunity to vote on those. Each of you

can propose amendments for how that money must be accounted for. We certainly recognize that this is the business of the Congress to authorize and appropriate these funds. We want to work with you to find the best way to do this, we truthfully do.

We thought as had proposed a solution that would be more in keeping with those issues you have to face, as well as the ones we do. Since we all agree that our strategy is to make this temporary, this certainly appeared to be a good alternative. There is no intent to hide anything.

Mr. SAXTON. Thank you, Mr. Secretary.

Mrs. Wilson is next.

Mrs. WILSON OF NEW MEXICO. Thank you, Mr. Chairman.

General, thank you; and Mr. Secretary, thank you very much for being here.

It occurs to me that you are involved at the moment in planning and directing the most comprehensive change in the Army, certainly since the all-volunteer force in 1973 and the end of Vietnam. In listening to the exchanges with my colleagues, it sounds as though we are in a situation where the decision is we cannot afford this inside our budget, so we will put the cost off budget in unauthorized spending. I think there is a reason to have a supplemental. I know you are going to need a supplemental for the actions in Iraq. But the change to the Army that we are discussing here today, and that you have put so much effort into planning, and so far I think it is a pretty good plan, that changed the Army. It isn't an emergency. It is a priority, and to me there is a difference there.

We are now getting from you and working with you, and have in many of these documents you gave us today, what you think you are going to need to accomplish that change. So that we know the cost, and that cost is not dependent on the actions of an enemy in Iraq or Afghanistan or anywhere else.

So what I really see going on here is, all of us are trying to tap dance around a bunch of rules and procedures as to where something fits, in which bill and which pot of money, and how do we account for it, as opposed to focusing on what it is that we need to do to allow the Army to get done what it needs to do.

What I would like to ask you is, are there rules or restrictions within law that are barriers for you? Within the Army, you are tap dancing around rules that are imposed upon you that we need to change. Could you highlight a couple of those for me?

General SCHOOMAKER. First of all, I agree with you. I would like to say, for instance, in regard to what we are talking about here, this decision on Comanche is an example. What we have asked for is going to depend upon the Hill, the Congress making sure that money goes where we want it to go on the deal.

But one of the things that you and I discussed yesterday, Congresswoman Wilson, was this notion of DOD transfer authority and some of these other kinds of things that we think would be helpful. I wish I had the list here, and I don't, so I can't cite it. I could provide you for the record some of the kinds of things that we think would help us do it.

We are not tap dancing around rules here. What we have is, we are having to comply with resource processes that are quite frankly

in my opinion antiquated, difficult to work with, and do not serve the best interests of national security or the Nation or fiscal responsibility. So I think that we could take a look at this as transformational and take a look at where we would get some better help on it.

[The information referred to can be found in the Appendix beginning on page 449.]

Mrs. WILSON OF NEW MEXICO. I very much appreciate that, because we want you to succeed. I think we always add rules to the books and we never go back and look at the ones we need to modify or change, and we expect you to live by them. I notice also in your posture statement—and Mr. Chairman, this will be my last question, particularly as we are going to get some answers for the record later on—you mention the importance of retaining the right volunteers in a volunteer force. Are there additional tools that you need to make sure you can retain the right volunteers as you go through this four-year period of change? Are there additional tools that you need from us to authorize?

General SCHOOMAKER. I think there are lots of ideas on what tools we can use. We are evaluating a lot of different kinds of incentives to do the kinds of things that we need to do, not only for rewarding people for their service, but working on the retention of the family and all the rest. I think we are being quite creative in that regard, within the rules. There are opportunities here that we have not taken advantage of in the past, in my view, to be as innovative as we could have been in some of these regards.

Certainly, right now some of the incentives we have for those that are serving and in harm's way are very, very important to us. We have asked for the targeted reenlistment bonus and for the retention bonuses for those that reenlist in Iraq, for instance, or Afghanistan. These are important tools to us.

I guess I would just like to wrap it up. If you take a look at our focus areas that we have identified in the Army, one of those focus areas is called resource processes. I think these resource processes are a center of gravity. If we cannot transform the processes in which we are forced to work, then we are going to continue to promulgate the kinds of problems that brought us to where we are today.

So we are working at it very hard. We have done some pretty innovative things within the law that are not statutory restrictions, but they are regulatory or directives that we can affect to help ourselves. And we have done a lot of those, and we will continue to, but we probably have some opportunity on the statutory side to do some things differently.

Mrs. WILSON OF NEW MEXICO. Thank you, sir.

Thank you, Mr. Chairman.

Mr. SAXTON. Thank you, Mrs. Wilson.

Mr. Larson.

Mr. LARSON. I have two questions, and I would like to get the questions out there and then have you respond to them. One of the questions has to do with the reserves and National Guard; and the other has to do with transformation, and specifically the Cherokee.

First, with the National Guard and reserves, I have been to the theater both in August and then back again in January. In August,

traveling with Mr. Murtha, and focusing on the need that he articulated to the entire Congress about the need for ceramic vests, up-armored HMMWVs, and jammers. I went back again in this past January and can say that, obviously, there was clear progress that was made, but still alarming concern over up-armored HMMWVs. I just recently met with an American hero, Steve Wabrek from New Hartford in my District, whose leg was blown up because he was traveling in an unarmored HMMWV, where this could have been prevented.

While it is great that we may achieve these goals by July, I think that it is an absolute travesty, including in the planning, that our Reservists and National Guard seem to be the ones that suffer. We were traveling with the adjutant general from Pennsylvania, and they were in long convoy lines with no armored vehicles, and in many instances they are trying to jerry-rig all of these things themselves so they can protect themselves. Then they are told by their command not to do that because there would be other liabilities that might occur.

Last, with respect to the Reservists and National Guard, a young woman from East Hartford, Penny Palufka, stood up and talked about how she went online, put \$1,100 out of her own pocket to get the ceramic vests that were needed to protect her son. Mr. Murtha assured me that he has contacted the Army and that they have indicated that all individuals—previously it was only the soldier that could be reimbursed, but any individual, whether it be mother, father, spouse, loved one who purchases this kind of equipment will be reimbursed, given as much as we have allocated—\$300 million. So that is the question I would like to see, is when can we anticipate that coming down from the Army, and what do people like Mrs. Palufka have to do to get reimbursed? That is my question with respect to the Reservists.

With regard to the Cherokee, my concern here—and again this piggybacks on something that Mr. Simmons said and, more specifically, on what Mr. Everett and what Mr. Hunter has said. Our Chairman has stuck his collective and political neck out on the line when he talked about Buy American. My question as it relates to transformation deals with my ongoing concern of the potential for further outsourcing as we look out toward the future, especially as we are going through transformation, looking at next generation, looking at the technology, the critical mass of highly skilled employees that we are going to need to retain in this effort, and the report that was given by the General Accounting Office (GAO) and the Department of Defense's Inspector General on the status of the Cherokee, which seemed to be fine.

The concern that I have is that you have told this committee that as part of the restructure of the Army's aviation plan that you will leverage the technology base and knowledge base of the Comanche for future joint aviation programs. Mr. Hunter, again, said yes, and we want to make sure that those are produced here.

You have further stated that as a part of this effort, the Army will begin an estimated \$2 billion development effort for a new joint multi-role helicopter. My question is, describe for us what that will be? Given the platform concern that the Chairman has and I have specifically, will these platforms be made and produced with

American parts, American know-how and ideas, and American labor, and not part of some international coalition or partnership that will look at this thing jointly?

That is my concern. My concern is that as we project out into the future, that we are talking again here about outsourcing or potentially outsourcing this next generation of technology. I would like to know your response to that.

Secretary BROWNLEE. Sir, I do not know. This is a joint program. It is not an Army program. We will be participants in it. I don't know what the restrictions are with respect to the source of any of these. I could not give you an answer. The program is in the very early stages of development and I just do not know. Of course, whatever laws apply, we will comply with the law.

Mr. LARSON. It has been an ongoing concern of this committee and our Chairman specifically that as we look out and in protecting the country's security and interests that the parts that are developed and the machines that are required for our national defense that they be procured and made here in America. What I am concerned about as we project out, however valued some of our other allies may be, who also happen to be in similar like and type businesses, that we do not find ourselves in a situation where we are again exporting American jobs in this critical base of highly skilled, highly technologically focused employees, and providing that to some foreign nation to do the work for our country.

General SCHOOMAKER. Sir, I am like Secretary Brownlee. I do not think that we have any insights right now on exactly the way this thing will promulgate itself. I would tell you that it just seems common sense to me that the more healthy our helicopter industry is in this country, the more likely it is that it will be the source of whatever we do in the future.

One of the things that we think out of our Comanche decision here is that it should support revitalizing the industry in the rotary-wing industry. We certainly have an intent of making sure that what we are going to do in the future is going to be relevant in the future both in the Army context and in the joint context. I do not think we can give you any other assurance.

In terms of reimbursing somebody for something they purchased, I know of no motion whatsoever to do such a thing. I do not know of any effort to do that. It is the first time I have ever heard of it.

Mr. LARSON. Excuse me, I do not mean to interrupt you, General, but are you saying that these people would not be reimbursed for the money that they had laid out for these vests?

General SCHOOMAKER. I am telling you I do not know anything about any effort to reimburse anybody for purchasing something on their own.

Mr. SAXTON. Thank you very much.

Secretary BROWNLEE. If we can just take it for the record, we will go back and see if there is such a program, sir. We are just not aware of one.

Mr. LARSON. I know that there was no program, but I know in talking to Mr. Murtha when we came back, when I relayed this story to him personally, and he said that he contacted the Army and that they acknowledged the fact this was a concern and a prob-

lem, and that anyone who went into their pocket to protect their sons or daughter would be reimbursed. I said I have a bill that I would have gladly dropped last year, and they said that will not be necessary. I will drop the bill.

Secretary BROWNLEE. I don't know if there is a program. I am not aware of it. We will find out and get back to you.

[The information referred to can be found in the Appendix beginning on page 459.]

Mr. SAXTON. Mr. Secretary, thank you. We will anticipate a good answer to that.

Mr. Bradley.

Mr. BRADLEY. Thank you very much, Mr. Chairman, General Schoomaker, Secretary Brownlee.

Secretary Brownlee, in particular I want to applaud you for your work over the last few months, and your effort to protect our troops from shoulder-fired infrared missiles in Iraq. There have been a number of incidents in which helicopters have been lost in Iraq and many of us here on the Hill are watching with great interest what the Army's reaction to these losses is going to be. I am particularly pleased with your statement this morning that it is going to be your highest priority for force protection.

My questions, I have three of them. It is my understanding the helicopter anti-missile program, (ATIRCMS), which means advanced threat infrared countermeasures system, will provide the Army helicopter crews with the next generation of protection utilizing a laser jammer to defeat missiles. Given what the Army has learned in Iraq, what are your plans to accelerate that production effort?

Secretary BROWNLEE. Yes, sir. We definitely have plans to accelerate it, sir. You should know also that I had another industry for industry for anybody involved in aircraft survivability equipment of this nature. We brought them in and we asked them also, please leave your proprietary interests at the door. We want to get this problem fixed. It is for our aviators and we have to fix it quickly. Everybody pitched in. It has resulted in the acceleration of that program.

What General Schoomaker and I have proposed with the revitalization of Army aviation will provide additional resources to accelerate that and broaden it in scope. Right now our first priority is, of course, aircraft in-theater, and we are working very hard on that. The ATIRCMS program is dependent on some technology with the multi-band laser that is being worked on, and we hope it comes to fruition very soon.

In the meantime, we are going ahead and wiring aircraft in advance to take the new warning system, the Common Missile Warning System (CMWS), which I am sure you are familiar with, which will give us additional warning, fewer false alarms, we believe, and enable the ATIRCMS to function better.

This is clearly, sir, a game; it is not a game, but there are actions where the enemy adapts to what we do, and we have to adapt to what they do, and we are trying to get ahead of that curve.

General SCHOOMAKER. I do not have anything to add.

Mr. BRADLEY. Let me press on with this for a moment. It is my understanding the preferred solution for the aircraft is an

ATIRCMS with a multi-band laser (MBL). Last year, I supported a \$7 million budget enhancement for the continued development of MBL for ATIRCMS. I understand the funding will help ensure that this next generation of lasers is inserted in the second lot of ATIRCMS. So what is the status of that effort and the timeline for implementation?

Secretary BROWNLEE. Sir, if I could take that for the record, I will get back to you and lay it out for you. The reason I do not have it at my fingertips is because we have been revising it in real time. Let me see if I have it here.

[The information referred to can be found in the Appendix beginning on page 453.]

Mr. BRADLEY. If you want to take that for the record, that is fine.

Secretary BROWNLEE. Okay.

Mr. BRADLEY. Let me ask my last question, if I might. It is also my understanding that there may be an effort to take one part of an aircraft countermeasures program, specifically a multi-band laser, and insert it in the current ATIRCMS program, thus mixing components of two manufacturers and products. Would this not be more difficult, more risky, and thereby also being more costly and time consuming than completing the funding on the MBL specifically designed for ATIRCMS?

Secretary BROWNLEE. You sound almost like me, sir. I asked the same questions, but there are those who believe this might be doable. In this meeting that I described to you where I had people from various aerospace firms in who are involved in these businesses, the two companies involved decided they would sit down and see if they could work together on that, and they are doing that as we speak. So we will see what the result of that is. If it results in a better defensive system faster, then we are going to do it. If it does not, then we won't.

Mr. BRADLEY. But that is your priority, the soonest possible implementation and the best way to protect American soldiers.

Secretary BROWNLEE. The most protective protection, sir.

Mr. BRADLEY. Thank you very much.

Mr. HAYES [presiding]. Secretary Brownlee, back to IMA a minute. Do you share my concern that money may not be going to the troops; it may be going into papers and pencils that could be going into bullets and vests?

Secretary BROWNLEE. I don't know sir. I will have to look closely at exactly what you described. I was not aware of a briefing that sophisticated, but I will take a look at it.

Mr. HAYES. Okay.

Mr. Israel.

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. Secretary, General Schoomaker, thank you for being here.

I have two questions. The first, if I could get you to give me a brief answer or get back to me on it, that will leave us some time for the second. The first question really picks up on something that Congresswoman Wilson discussed in terms of antiquated legal requirements that may at times inhibit your mission, General. I am led to believe that guard and reservists, for example, who would like to continue their service after a 24-month mobilization, are

being forced to sign a form that they are volunteering for that additional service.

That imposes problems at home. Essentially they are saying to their employer, I do not want to go back; I prefer to sign this statement indicating that I do not want my job, or to a spouse, I do not want to come home; I want to sign this statement indicating that I want to stay where I am.

It seems to me that that is an example of a legality that may be inhibiting the mission of the guard and reserve. I am wondering if in fact my understanding is correct. Do we have that legal requirement? And can that requirement be reassessed?

General SCHOOMAKER. The best answer I can give you is everybody is being mobilized involuntarily. That affords them the protection that is required at the workplace. This is what this is, involuntary mobilization.

Mr. ISRAEL. Is that something that we can follow up on separately? Would you be willing to do that? Okay, that is fine. I have a second question. I do not want to lose my time on that, but if you can briefly respond, that would be helpful.

General HELMLY. Sir, I will make it brief. As the Chief said, the first 24 months is involuntary mobilization. I believe what you are referring to is we have been asked that if the soldier will volunteer to stay beyond 24 months, that that would be done under a different section of statute, 12301(d), which says that I need to volunteer to the service secretary to come on active duty and not be demobilized, but come on active duty. In that instance, the soldier is asked to sign such a statement under that particular statutory title.

Mr. ISRAEL. I would appreciate the opportunity to follow up with you or some appropriate personnel to further discuss that.

Let me shift to my second question. We have been talking a lot in this committee about military transformation, something that I support strongly. We have heard just this morning about needing technologies that are lighter, lethal, more mobile. Most of that transformation deals with technology and machines and weaponry, and systems. Again, I support that.

But General Scales sat in your seat only a few months ago and talked about a different kind of military transformation. We have superb situational awareness. We know where every tank is, what direction it is going in, what kind of firepower it has. But we do not have the cultural awareness to know who is in the tank, what language they are speaking, and what their intent is.

Many of us have been to Iraq. I was there only a few weeks ago under the leadership of Mr. Weldon. One of the recurring themes was, we do not understand the cultures we are diving into. We have the weapons. We have the hardware. We need the software. We need more linguists. One commander said, I spend more of my time as a peacekeeper than I do as a warrior; I was trained to be a warrior; are we training our warriors to become peacekeepers.

My question is, what kind of resources should we provide the Army so that they can perform well in this engagement and future engagements, not simply as warriors, but as peacekeepers?

General SCHOOMAKER. I would suggest that you take a trip to the National Training Center and the Joint Readiness Training

Center. We have hundreds of civilians on the battlefield now. We have mosques and villagers and role-players. We have some 600 Arabic-speakers down at Fort Polk right now that people are dealing with. We are addressing this issue in spades. If you go down and talk to the 30th brigade out of North Carolina or the 39th brigade out of Arkansas, or who I just was with this weekend out at National Training Center, the 81st out of Washington State, I think you will find that they are dealing now in a whole different context than they were.

Mr. ISRAEL. When did we begin addressing this issue in spades?

General SCHOOMAKER. Excuse me?

Mr. ISRAEL. When we did we begin addressing this issue in spades?

General SCHOOMAKER. Within the last four or five months. We had some of this going on before, but in all fairness, this is a no-holds-barred preparation now for these people. I will tell you that we have to be very careful here that we maintain a full spectrum military and that we don't get target fixation on the current situation, because we are going to be challenged again on the full spectrum and we have to make sure that we protect ourselves and our capability to conduct major land wars with this Army, as well as conducting the kinds of things that we see ourselves doing right now.

That is why this modularity. I will tell you, transformation is just not technology. It has to do with how you organize and equip. It has to do with your doctrine, how you develop your leaders and soldiers. It has to do with the whole spectrum of how we train. There are many, many powerful lessons in history that show you that if you do not change your culture along with the technology, that you are missing a big beat on transformation. That is what we are trying to do is a holistic transformation.

Mr. ISRAEL. Thank you.

Mr. HAYES. Mr. Gingrey.

Dr. GINGREY. Thank you, Mr. Chairman.

Secretary Brownlee and General Schoomaker, I want to thank you for being here today and for having the patience to remain until you get down to the first row. My other colleague from Georgia, he and I think of the last of the Mohicans, but we really appreciate your sticking with us.

General SCHOOMAKER. I didn't know we had a choice. [Laughter.]

Dr. GINGREY. My question really pertains to an article that I read in the Wall Street Journal yesterday. Actually, there was kind of a follow-up in the New York Times this morning. Of course, the main purpose of this hearing today was to discuss the 2005 defense reauthorization. This question really pertains to the supplemental. It speaks to the issue of the civilian defense force, and the need to stand that security force up so we can hopefully get more of our troops off of the ground and out of harm's way. You have the Iraqis doing this work. They know the terrain. They speak the language. They know the culture, and I think they probably are ultimately more prepared to do that job.

In the supplemental, we did not devote very much money to that effort, I think maybe \$200 million to \$300 million. In the big scheme, that is a pretty small amount. By comparison, to stand up

a new Iraqi army, we were devoting something like \$1.7 billion. This paramilitary force, I think, is hugely important, and of course they are getting paid something like \$140 a month. They are under-equipped.

I fully agree with my colleagues on the committee of first and foremost making sure that our soldiers have the proper equipment regarding things like body armor and the up-armoring of HMMWVs and so forth. But it is very important if we are going to be successful in getting this Civilian Defense Corps (CDC) established and turning all this over to the Iraqi people that they have to know that they are equipped and have the support that they need. Otherwise, they are going to cut and run, for \$140 a month. This article spoke to a recent incident where several of them were killed in a nighttime raid. Now, they won't even show up for work at night.

So I guess my question is, do you agree that we need more funding for that effort? Of course, I guess that would be out of a subsequent supplemental, which we will probably be dealing with in early-2005. I think we have some real concerns here, and we are not quite giving the resources that we need.

Let me just give you just one quote. When I visited Iraq, one of the most impressive leaders I met was General Charles Swannack. I don't mean to be critical in regard to his comments, but they used this in the Wall Street Journal article yesterday. He was quoted as saying, "My guidance to commanders is to take some risk. You can't let them get into a firefight where a bunch of them will get killed, but you have to take some chances. It is a tightrope." That is scary. Your comments on that?

Secretary BROWNLEE. First of all, with respect to the CDC, the Civilian Defense Corps, I could not agree more, sir. In fact, I know General Schoomaker and I have both had the opportunity to watch our divisions train some of these soldiers of the CDC. Our division commanders recognize just what you recognize, that these are the guys who are probably going to make the difference in the long-run. So where they saw there were shortfalls in equipment or uniforms or training, they were moving with the funds they had to try to alleviate those shortfalls.

I was with the 4th Infantry Division, General Odierno, and I was very impressed by the training, which happened to be Christmas Day, by the way. I was very impressed by the training. I was not impressed by the uniforms, and when I asked about them, they said yes, you are right; they are awful. We have already used some of our own money; we are having new uniforms made for them. Also, they addressed the issues of weapons and those things.

So I think it is recognized, just as you recognized, and it will be addressed. I personally do not know how the money is broken out for those kinds of things, but I agree with your emphasis on the CDC, certainly.

General SCHOOMAKER. Yes, sir. I could not comment on the adequacy of funding. I think you are right on that there is going to have to be continued funding, because this is hugely important to the future of Iraq, that we have the Iraqis taking more and more of the responsibility for their own security there.

I would like to comment on the risk factor. This is all about risk. These soldiers and the leadership over there are taking risks every day. It is a constant evaluation of that. I just don't know of anything in life, and certainly not in Iraq, that there is not some element of risk involved every day in making decisions on what you do.

Dr. GINGREY. I thank you both for your comments. Of course, my question is just to try to call attention to the fact that we probably do need to fund that better, because there is maybe too much risk at this point, and we are not going to be successful at standing up that CDC unless we devote more resources into it.

Secretary BROWNLEE. I might just mention, sir, that one of the things I do have some knowledge of because the Army has assumed the responsibility for the contract administration and the program management for those Iraqi reconstruction funds. I do know that there are some contracts that are out, or request for proposal (RFP)s that are out for contracts to address some of these issues.

Dr. GINGREY. Thank you, Mr. Chairman.

Mr. HAYES. Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

I found this to be very, very helpful and I appreciate your being here. It is very informative listening to you respond to the questions.

Secretary Brownlee, in response to Dr. Snyder's question concerning why not the general as opposed to the supplemental, you described \$1.2 billion costs for 10,000 people; 30,000 people, \$3.6 billion; and then the relationship between that and O&M that would have to be cut in order to reach a budget target.

If we grew the budget—if the budget was increased by \$3.6 billion, you would not have the same objection to including this in the current budget. The phenomena that you described—I think that you are getting at; some of the problems that we have that make it more difficult for the Army, it seems to me from the Army's perspective, that phenomena works in the reverse, as well.

If you could work into the general budget now for the Army these funds, and the Army is actually able to reorganize over a period of about four years so that the number of personnel dropped, then the O&M budget that no longer carries this \$3.6 billion, and those dollars 4 years from now, that O&M budget, if the military personnel drops \$3.6 billion, O&M can go up. So I think it cuts both ways. It is just an observation.

I do have a question for both you gentlemen. General Schoomaker, I think you are probably the one to answer this. I wholeheartedly agree with the direction you are taking us. I do think smaller, more mobile, more lethal organization of units is appropriate. It seems to me it would be helpful to us if you could take your vision of where we will be five years from now and take that vision and apply it to what we have just done and what we are doing right now. You have probably already done this.

We have a certain number of personnel that are in Iraq and Afghanistan right now. The number of personnel will drop, I suspect so. If we had the transformed Army to go into Iraq last year, what costs would we have saved? I think that would be actually probably pretty enlightening, certainly enlightening to me, and I suspect it

would help your case, because I think you would show that in the long-run not only will we be more effective as an Army, it will not cost us as much either.

General SCHOOMAKER. Sir, I think you are right onto something there. As I tried to describe earlier, if we had the Army we envisioned 5 years from now, 4 years from now, an Army of 77 to 82 brigades active, guard and reserve balanced, modular, plug-and-play, what this says is that we could sustain this current level of operation indefinitely by calling on brigade-size elements at 6-month rotations, 2 6-month rotations in a 3-year period on the active side and 2 6-month rotations in a 5-or 6-year period on the National Guard side.

It means that because they would be standardized, that we could plug-and-play; we could rotate people on equipment; that are repositioned stocks would be standardized all over the world; and that we would be able to maneuver. We figure we can keep as much as 77 percent of the available brigades in a level of readiness that we cannot afford to do today.

Mr. MARSHALL. And what I think would be helpful and I don't think it would take that much time, is to go ahead and take that vision and impose it on where we are today, and see numbers, costs, those sorts of things. I think that what we would see would be good news to us and would really make us a lot more enthusiastic to just go with what you want to do.

General SCHOOMAKER. Sir, I agree. But the point I am trying to make is that even though we would probably see some costs in dollars, some savings, the biggest savings would be in the human.

Mr. MARSHALL. Personnel.

General SCHOOMAKER. In the angst, in the unpredictability and the inconvenience and all of the kinds of things that we see people having to put up with today. That is why it is hugely important for us to get ourselves modularized, stabilized, and be predictable, so that employers and the guard, the guard families, and to include military families on active duty, all the time have greater predictability, stability in their lives, and we can maintain a higher level of readiness cohesion at the unit level. This is a big transformational objective here, because this is something big to bite off, to transform the personnel system the way that we are talking about doing it.

Mr. MARSHALL. Will you be able to do an analysis that could maybe take where we are now and substitute that vision?

General SCHOOMAKER. We could try. We could take a look at doing that.

Mr. MARSHALL. Thank you, sir.

Mr. HAYES. Mr. Cooper.

Mr. COOPER. Thank you, Mr. Chairman.

I know our witnesses have had a long day. I do not intend to add too much to your burdens, but just a little bit.

First of all, General Schoomaker, I really admire the work that you are doing. You are doing a great job. It seems to me, though, that you are in a little bit of a bind, because when we have the honor of visiting our troops in Iraq, the number one thing that the leaders tell us is don't interrupt the funding.

I know the President is not anxious to go ahead and ask for the supplemental before the election, but the head of OMB, Josh Bolten, has estimated about \$50 billion will be necessary. Why shouldn't this Congress go ahead and initiate a supplemental before the election so there is no risk of funding interruption, so the people in the Pentagon do not have to raid every other account for months to try to patch up anticipated shortfalls? Why wouldn't it make sense just to take the monkey off everybody's back and Congress go ahead and initiate a \$50 billion supplemental right now and pay for the anticipated shortfall? What is wrong with that? That is sensible budgeting.

Secretary BROWNEE. Sir, as far as we are concerned, that is kind of above our pay grade.

Mr. MARSHALL. It is not my purpose to get you all in trouble.

Secretary BROWNEE. We have the resources, we believe, as General Schoomaker said, certainly to take us to the end of the fiscal year. If we are required to, we can cash flow out of other accounts, we believe, through the end of March. Beyond that, it will be a problem.

Mr. MARSHALL. Isn't that an embarrassing way for the world's greatest superpower to finance its most important overseas deployment?

General SCHOOMAKER. It is not the way I finance my household, that is for sure.

Mr. MARSHALL. Maybe this Congress can find it in itself to go ahead and fulfill that need in an orderly fashion, on time. That is just one point.

My second point is this: I happen to be a personal fan of Colonel MacGregor, who has written a book on transformation in the military. I am a little worried that he maybe was a little bit too far ahead of his time. It is my impression that he is being encouraged to leave the military, when you all are adopting, as I read it, a substantial portion of his recommendations.

Not so much for Colonel MacGregor, but for others, I hope that we have a culture of creativity and thinking outside the box so that original thinkers are appreciated in the Army. I know that you, General Schoomaker, come from outside traditional Army ranks. I think you are a clear example of how outside the box thinking can be helpful to all the services, because we need to work together in a joint fashion. So I would just hope, whether it is Colonel MacGregor or others, that original thinking is appreciated and encouraged.

Thank you.

Mr. HAYES. Just a comment. I was talking to some soldiers the other day. There are some very mixed opinions among soldiers about MacGregor's works, on both sides.

Mr. Skelton.

Mr. SKELTON. I would like to go back, if I may gentlemen, to my questions earlier. I tried lawsuits for 20 years, and one of the basic rules is that during a trial, one should never ask a question to which one does not know the answer. You indicated earlier you would answer my earlier questions for the record, am I correct?

General SCHOOMAKER. Yes, sir.

Secretary BROWNEE. Sure.

Mr. SKELTON. So question number one, did the Army make a request of the Air Force for 2,200 airmen to perform Army duties? Question number two, did the Army request of the United States Navy approximately 4,000 sailors to perform Army duties? Then I have a third, if I may add this third question to be answered for the record. You have explained that with the money that you are going to save from the 121 Comanches, you intend to buy almost 800 new helicopters and 25 airplanes. That will require an additional 1,700 more pilots. Do you not need an end-strength increase to man those new helicopters and those new pilots?

At your convenience, if you would answer those for the record, I would certainly appreciate it. Please understand, we appreciate what you do. Questions are not meant to embarrass you, but to help us, because the constitutional duty rests upon our shoulders to raise and maintain the military. So thank you for what you do and your past support.

I think it would be a good idea, along with what Mr. Marshall mentioned a few moments ago—as you go forward with your change in force structure, it may be a good idea from time to time to give us a status report. I think you really have something there, but it would help for us to know the progress that you are making.

Again, thank you for being with us.

General SCHOOMAKER. Sir, did you want me to respond to that question you had there on the Army, Navy and all?

Mr. SKELTON. No, just do it for the record. That is fine.

General SCHOOMAKER. Okay, sir.

[The information referred to can be found in the Appendix beginning on page 449.]

Mr. HAYES. Chairman Hunter.

The CHAIRMAN. I thank the gentleman, and thanks for the great job of chairing this committee. There may be a coup if you stuck around here longer. [Laughter.]

You have done a great job, Robin. Thank you, sir.

Let me go, gentleman, just a last couple of questions on the up-armor and the armor challenge. That is going to be a key challenge to see if we can do in terms of focusing the materiel base. That is the procurement capability of this country; this massive industrial base and military capability; to get stuff into theater that people have to have, whether you can get stuff on the ground in Iraq when you have division commanders that say they want it.

Along those lines, our staff went to the Red River Depot with your help, Secretary Brownlee, to review the Army's efforts to field more rapidly these up-armor kits for HMMWVs. As I understand it, you have a funding release to immediately buy the armor plate that is required for 6,900 HMMWVs, along with partial funding for 4,480 kits that are already in place.

However, as we understand it, there are \$429 million that have yet to be reprogrammed to the tank and automotive command, of which \$131 million is not yet identified. So we have some work to do to get that done. It is further my understanding that until you have full funding, fielding that armor cannot be completed. So I hope that you are charging hard to get that funding in place so we can move forward.

Secretary BROWNLEE. We are, sir. I might just add, General Schoomaker mentioned earlier some things that would help us. You and I have talked about this before, but providing additional transfer authority to the Secretary of Defense and increasing the thresholds for reprogramming within the Army today could help us a lot in some of these reprogramming. We bring them over to you every time if they exceed the thresholds. It would help expedite sometimes if the thresholds were raised a bit.

The CHAIRMAN. Why don't you just move to us what you think we need to do. We don't want to be the long pole in the tent.

Secretary BROWNLEE. I understand sir. I do not want to imply that your staffs are not there. When we bring something to them, they treat it just as we would expect it to be. It is just another step in that process.

The CHAIRMAN. Okay. Is that a problem with that \$131 million that has not yet been identified out of that \$429 million?

Secretary BROWNLEE. Sir, I will have to check. I signed a letter this morning on some of this. I don't know if this is included or not.

[The information referred to can be found in the Appendix beginning on page 449.]

The CHAIRMAN. Okay. Now, as of yesterday, as we understand it, 1,169 kits have been produced and shipped to the theater. At least 5,731 kits are remaining to be produced to meet the theater commander's requirement. We have six arsenals and depots participating in the add-on armor program, and they have determined that their maximum capacity is 412 kits per week.

If the target completion date is the end of March, the Army has to average a little over 1,000 kits; that is 1,084 kits per week to succeed. That means that at the rate that we have coming out of the arsenals and depots do not get it. That is going to leave us far short of this March 31 deadline.

The Tank Automotive Command is exploring avenues to quickly contract with private industry, without the lengthy process of the peacetime acquisition system. So the industrial capacity exists. I think you are going to have to go to some outside sources to get us above that 412 kits per week, which the in-house system is producing right now. Will you work toward that?

Secretary BROWNLEE. Yes, sir. In fact, the battlefields of history are littered with the corpses of men whose commanders could not distinguish between a possible and impossible, but I laid down a 31 March deadline.

The CHAIRMAN. Okay.

Secretary BROWNLEE. Whether or not that is possible, I don't know, but we will go to every length we can to meet that.

The CHAIRMAN. It is possible if you get more capacity. If you don't, you are doing 412 a week. That is what they are doing.

Secretary BROWNLEE. Yes, sir.

The CHAIRMAN. The next urgent protection issue we have are these tactical trucks. As we reduce the vulnerability of the HMMWVs, they are going to move to the next target, which is going to be our trucks. We have a couple of rapid programs that are nearly ready to start fielding kits in-theater, or at least develop blueprints or patterns of how you can put these double-hulled systems on the back of these trucks, basically weld them up with a

quarter-inch of steel on each side of the hull, and you can put stuff in between, sandbags if you have to. That will take you up with about an inch-and-a-half of fiberglass shield to be able to meet any class C threat, which is a big stuff blowing off next to your truck. It will protect the GIs inside.

The Army Research Lab and Lawrence Livermore Lab are two of the institutions that have developed patterns on this. So I would hope that you would move Army funds to make sure we have the wherewithal to put those kits on in-theater. Basically, if you get the steel over there and you have cutting equipment, they won't look pretty, but you will have that much steel between your soldiers and those roadside mines. And you can get it put on in-theater. You can put it on in Kuwait or you can put it on in the division areas of operation (AO)s. It will make a good replacement for things we are doing over there now like using those little machine shops in Tikrit and other places that are kind of ad hoc putting stuff on.

Secretary BROWNLEE. Yes, sir.

The CHAIRMAN. Last, a couple of things we have gone over to some degree, but unmanned aerial vehicles are requested by field commanders. Part of what you want to do, General Schoomaker, is focus force. That is part of your whole reorganization, focus force. We have to be able to focus equipment. The idea that we, as DOD writ large, have lots of stuff, and yet you get down to where you are visiting commanders in-theater and they can't get it, shows that we failed. We failed in terms of being able to focus materiel and equipment and take it down through the various bureaucratic levels in DOD to get it out to the guys that need it in the field.

In the least, in these times of war, we should be able to get this stuff out there. That may mean you are going to have to have some table-thumping sessions, Mr. Secretary, with your counterparts, the service secretaries in other services. I think we have enough UAVs in other departments, in other areas to bring them into that theater, even if you have to scrub every one of those doggone roads in that triangle area.

I would hope you would work on that.

Secretary BROWNLEE. Okay.

The CHAIRMAN. Last, I understand also a bunch of those UAVs are being rotated back to the U.S. for "re-setting." It might be a lot more effective to get the maintenance folks into theater and have them worked up there, instead of having them take the slow boat to China back here, and get so-called re-set, and then it will be months and months, probably the end of the year before you get those systems in-theater. I will bet you could get teams out there and undertake the maintenance requirements to get the UAVs flying again, to get those birds flying and keep them there.

Secretary BROWNLEE. Yes, sir. We discussed that the other night and we are examining that as we speak.

The CHAIRMAN. Okay, great.

Last, we have talked about jamming measures, other types of factors to defeat these IEDs. A lot of that obviously is classified stuff, but I would say this. I have looked at what we have, and the basic protestations from the system that it is going to be a long

time before we have anything. I know you have some others, some stuff you want to talk about that you are working on.

I think talking to some of the technical people, I think that there are some quick field solutions we could probably push. I hope you have a good team of folks.

Secretary BROWNLEE. Sir, we would be happy to talk to you about that in a different environment or to send a briefing over.

The CHAIRMAN. Let's do that.

Secretary BROWNLEE. Congressman Taylor is very interested in that too, but we would prefer not to discuss any of that in here.

The CHAIRMAN. Okay. I would say, though, that one general application or general rule that could be applied to that also though is that I think to some degree you have the speed of bureaucracy problems in that area, also. Aside from technical challenges, I think some of the stuff can be moved through the acquisition system a lot faster than it has been.

We have had a chance to work on that. I will tell you one thing, Mr. Secretary and General, we appreciate the fact that you take our phone calls when we are working this stuff, because we are one team and we have to get this stuff done.

Secretary BROWNLEE. I agree, sir.

The CHAIRMAN. Thanks for being with us today and walking through a lot of good, pretty damned dramatic changes in the Army. We appreciate you.

Mr. HAYES. I thank the gentleman for his insight and wise comments. This chair fits you better than it does me. [Laughter.]

Mr. Saxton.

Mr. SAXTON. General, in a previous conversation you and I talked about the deployability of a Future Combat System (FCS), as well as the Stryker and C-130 aircraft. I think I will follow the Ranking Member's lead and just ask this question. I know yesterday privately you agreed to look at this issue. What concerns me—and I know the Chairman had this concern as well—we believed that the C-130-Stryker deployability was a much different scenario than it turned out to be. It turned out to be what it is because of the capability of the C-130 and the weight of the Stryker.

In talking with the prime contractor for FCS, I have been informed that the FCS is going to weigh the same as the Stryker, or within 1,000 or 2,000 pounds, which leads us down the same path and the same scenario with deployability with the FCS. So as you and I talked previously, we either need to plan on deploying FCS and Stryker on C-17s, or make FCS lighter so it is in fact reasonably deployable in C-130's, which raises questions as to survivability of FCS with armor and all those things.

I would appreciate if you could get somebody to make for us your best estimate of how we are going to balance these systems with each other. Let me put it this way. My friend's chief of staff in the middle of this Stryker conversation said, "Mr. Saxton, that horse is out of the barn." Well, the FCS is not out of the barn yet and we want to make sure that it gets out of the barn like a horse coming out of a chute, rather than a sluggish old Stryker trying to fly on a C-130, which it cannot very well do.

Again, you and I had this conversation yesterday, and I know what the answers are, basically, but we would like to see a plan

as to where we are going. The Chairman and I are going up to Fort Monmouth sometime in the future to look at the technology of the FCS. We are supporters of it. We want it to work, but we want to avoid this C-130-Stryker.

The CHAIRMAN. Would the gentleman yield briefly? With the indulgence of the Chair, I want to ask just one more follow-on on this Stryker. This is kind of important to our folks. We are seeing the kids at Ramstein and the other hospitals and bases where they are flown out initially after being hit with IEDs. IEDs are now the weapon of choice of the bad guys over there.

The Stryker has resisted these first couple of attacks, I think it has been published, at rocket-propelled grenades. They have done very well. We saw some of the homemade soft stuff that has been ad hoc armored by the 82nd and the 4th Infantry Division down in the hot area where these kids are going out on patrols. Yet this system has pretty good armor against IEDs, and also non-exposure gun capability. That is, you do not have to have a gun peering out of, or standing in, a well. You can fire from inside the Stryker.

All that would seem to compel, at least intuitively when you ask where is the Stryker going—you would say, well, I am going to send it where the bad stuff is so we do not have to send the kids out in the half-armored stuff or the soft HMMWVs. And then we saw that the Strykers are probably not going to be going there. I have talked to a number of folks, and I would just hope that obviously that has been discussed; the decision was made by the commanders in-theater.

I would hope, Mr. Secretary and General, that you would ask them to re-look at that. I think it is a common sense thing that if you have a hot AO where you need the armor and the lack of armor is hurting your people, why keep the soft stuff and the hot AO and move the hardened stuff to the non-hot AO? There is probably a good reason for that. I know part of the reason is probably a coverage reason. You can substitute in a brigade and you can take the place of a division. On the other hand, that argument works with different configurations and different types of systems.

Right now, we have learned one thing, and that is if we look at our up-armoring program, it is not going to get there for a while, no matter what we do. So I would hope that you would at least ask the questions again about the possibility of getting the armor that we do have into the area where they are getting the proliferation of IEDs. Does that sound reasonable, general?

General SCHOOMAKER. Sir, I think you framed the issue, that it is a commander's call and there I certainly will ask the question, but it is an issue of the capability of the organization to cover a lot larger area. You have to replace a division with it. The area you are talking about, and it is probably not appropriate here to talk about where people are going, but some of the protection we get out of Stryker comes with a cost because of the slat armor of having it outside the vehicle, and it is difficult to operate that in urban areas, or so they have determined.

Originally, it went into some places, it was operating in urban areas, and it was a little bit difficult to get around and, in fact, takes away some of the advantage of what you have there in protection. So I am sure that the theater commander considered all of

that in terms of where he thought he could best employ it. I will talk to General Sanchez and General Abizaid about it.

Mr. HAYES. Gentlemen, we thank you. The Chairman was a little excessive with his use of time there. [Laughter.]

We do have some movement on the AGF, I need to tell you that.

We thank you all for coming. We thank you for your commitment. We thank you for your service. We especially thank you for the incredible job that the men and women that you represent and whom you lead are doing and their accomplishments.

The meeting is adjourned.

General SCHOOMAKER. Thank you, sir.

Secretary BROWNLEE. Thank you, sir.

[Whereupon, at 12:53 p.m., the committee was adjourned.]

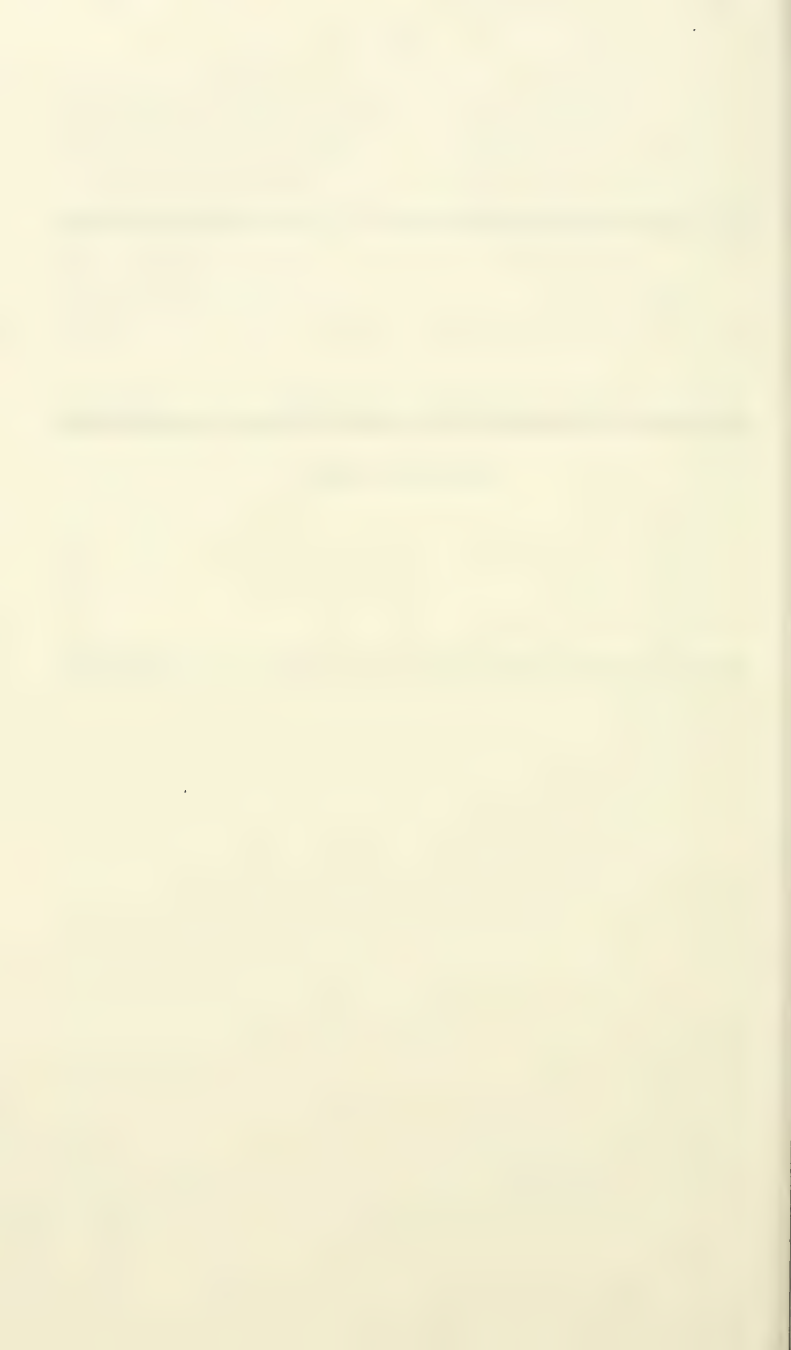
A P P E N D I X

FEBRUARY 25, 2004



PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 25, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

Department of the Army FY 2005 Posture Hearing

February 25, 2004

This morning the committee will continue its review of the Fiscal Year 2005 defense budget request, with a look at the Department of the Army.

Our witnesses today are:

The Honorable Les Brownlee
Acting Secretary of the Army

General Peter J. Schoomaker, USA
Chief of Staff of the Army

Welcome to the Committee gentlemen.

This year's defense budget requests \$98.5 billion for the Department of the Army, \$5.2 billion more than the fiscal year 2004 peacetime budget.

Unlike similar hearings in the past, today we don't have to theorize about how the Army is doing or will do in the field of battle. Today's Army has been and continues to be on the front lines in the war on terror.

As we speak, Army forces are hunting down terrorists in Afghanistan and Iraq, rebuilding these nations from the devastating effects of decades of tyrannical rule, while at the same undertaking fundamental reforms in order to better defend our interests well into this century.

While our troops are deployed around the world, it's our responsibility back home to give them all of our support and every tool they need to accomplish the mission. Since the attacks of September, I believe it's fair to say that we have all worked towards that end no matter our politics or districts. This year must be no different.

We can start by, at minimum, fully funding the President's budget request for the next fiscal year. That does not necessarily mean accepting it as is or without scrutiny. But we should agree that no matter what debate follows as part of our normal process, we must make sure that our troops in the field fighting receive all the resources they need to carry out their mission as effectively and safely as possible. Funding the President's requested defense budget topline is an essential start point toward that goal.

Doing that may be difficult this year. There are some who apparently believe that the threats to U.S. national security are sufficiently contained to allow us to begin cutting defense spending again. That would be a mistake. Al Qaeda is still out there. Ansar al-Islam is still out there. Rogue states are still out there; and as the daily news headlines confirm, some of them continue to pursue weapons of mass destruction.

It has been said that eternal vigilance is the price of liberty. Now is not the time to let down our guard by shortchanging our troops on the battlefield.

In that same vein and beyond the budget debate, it is equally important that Washington – both Congress and the Pentagon – take every step and exhaust every option in providing our troops in the field with all available technology and equipment options to carry out their mission. As both of our witnesses know from various discussions we've had, I am deeply concerned that our military acquisition system is too hidebound and obsessed with archaic process that only gets in the way of rapidly fielding simple equipment solutions that can make the difference between soldiers coming back home alive or in one piece.

You can be assured that this committee will be making these force protection issues a critical priority for as long as we have our troops deployed in harms way. I certainly hope we can continue

this productive dialogue in this area and continue to work together to find ways to push these critical capabilities into the field and into the hands of soldiers as rapidly as humanly possible. I assure you that this committee and my colleagues stand ready to do anything we can to assist you in this regard.

Gentlemen, we all look forward to your testimony and appreciate your appearance before the committee this morning.

Let me now recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

Mr. Secretary, welcome to the House and the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO),
Ranking Member, Committee on Armed Services, U.S. House of
Representatives**

Posture Hearing on FY 2005 Army Budget Request

February 25, 2005

Thank you, Mr. Chairman. Secretary Brownlee, General Schoomaker: thank you for being here. At the outset let me say how proud we, and all Americans are, of the valiant service our soldiers provide everyday. We know too well that they continue the very dangerous work of trying to stabilize Iraq. They are still very much engaged in the fight in Afghanistan, and the war on terror has them spread globally—from our own shores, to the Philippines, to the Horn of Africa. The strains are enormous—for our soldiers and their families—and I hope you will remind them how grateful we are for their service.

General Schoomaker, I give you great credit for the innovative approaches the Army is taking in restructuring and stabilizing its forces.

These efforts could go a long way in creating highly capable units prepared to meet the challenges ahead of them, and providing military families with some greatly needed stability. However, I continue to worry that we are asking too much from our soldiers. As you know, I have been concerned for years about the adequacy of Army end-strength. Yet, the strains have never been greater than they are today. We had testimony starting in 1995 that the Army needed 40,000 more soldiers. Since then, Iraq continues to be a considerable demand on our military resources and will be for some time, even if a political transition goes smoothly. On top of that, our soldiers are deployed or forward stationed in over 120 countries fighting in the war against terrorism. There is no real end in sight. I don't see how we can make the argument that the current demand is a temporary spike since we have needed more troops for a decade. And I don't see how we can continue to meet these current requirements responsibly without an end-strength increase. I hope you both will address this issue and suggest how we on this committee may help ensure that the Army has all the forces it needs to fully respond to the demands the country places on it.

In fact, the Army recognizes that it cannot meet the enormous demands placed on it with current authorized endstrength and General Schoomaker, you have recently announced that you have started to increase manning levels by 30,000 soldiers. Since the current budget does not provide for such an increase, the Army plans to pay for this from supplementals. I don't think this is the right way to do this. Congress should authorize the end-strength increase and pay for it from the regular budget.

Even as we struggle with the question of troop levels, I am equally concerned with the Army's ability to fund ongoing operations. The Department tells us it will be January at the earliest before they send a new supplemental for our consideration. A Congress Daily article from last week says that the Army may be \$3 billion short in operating funds for this year—a year for which we already have provided a supplemental. And without a supplemental for Fiscal Year 2005 until early next year, you will have to operate for 4 months minimum without

any funding for Iraq or Afghanistan. With the Army spending about \$2.5 billion per month on these operations, how will you bridge this gap without hurting other Army programs? We on this committee want to ensure that your soldiers can fight as effectively as possible without asking you to mortgage the future fiscal health of the service to do it.

Secretary Brownlee, General Schoomaker: I commend both of you and all those with whom you serve for the outstanding service you provide this nation. You do it despite the strains of both an extremely challenging operational and a demanding fiscal environment. Thank you for all that you do. Thank you, Mr. Chairman.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 25, 2004



The United States Army

2004 Posture Statement

I am an American Soldier.

I will ...

Always place the mission first.

Never accept defeat.

Never quit.

Never leave a fallen comrade.

I live by this Creed.



A statement on the
Posture of the United States Army 2004

By

The Honorable R.L. Brownlee
And
General Peter J. Schoomaker

Presented to
The Committees and Subcommittees
Of the

UNITED STATES SENATE

And the

HOUSE OF REPRESENTATIVES

SECOND SESSION, 108th CONGRESS

The annual Army Posture Statement is an unclassified summary of Army roles, missions, accomplishments, plans, and programs.

Designed to reinforce the Secretary of the Army and Chief of Staff, Army posture and budget testimony before Congress, The Army Posture Statement serves a broad audience as a basic reference on the state of the Army.

This document is available on The Army Homepage at www.army.mil

It is a product of the Office of the Chief of Staff, U.S. Army, Special Actions Branch (DACS-ZDV-SAB)

Email: David.Dodd@us.army.mil



February 5, 2004

Our Nation is at war. The security of our homeland, the Global War on Terror, and sustained engagement around the world define today's complex and uncertain strategic environment. The future will be no less ambiguous.

We must prepare now to meet the challenges of tomorrow. Rather than focusing on a single, well-defined threat or a geographic region, we must develop a range of complementary and interdependent capabilities that will enable future joint force commanders to dominate any adversary or situation. A capabilities-based approach to concept and force development, as articulated in the 2001 Quadrennial Defense Review, is the major focus of defense transformation.

Over the past year our Army has met the demands of the Global War on Terror, with more than 325,000 troops deployed around the world in over 120 countries. The Army was instrumental in the defeat of Saddam Hussein and the Taliban and the subsequent liberation of more than 46 million people from oppression and despair. The Army remains a central and critical participant in Operation Iraqi Freedom and Operation Enduring Freedom. Although these and other operations have stressed the force, our Soldiers have responded magnificently.

Our Army's commitment to the Nation remains absolute. While we execute the Global War on Terror, our Army simultaneously continues its organizational and intellectual transformation to meet the challenges of the 21st Century. In support of the National Security Strategy and the National Military Strategy we are improving our warfighting readiness and ability to win decisively. We also remain dedicated to the well-being of our Soldiers, their families and our civilian workforce.

The United States Army is the most powerful land force on earth. With this power comes a great responsibility. American Soldiers show by their daily actions that they understand this, and are fully worthy of the trust the American people have placed in them.

For 228 years the Army has never failed the Nation, and it never will.

Peter J. Schoomaker
General, US Army
Chief of Staff

R. L. Brownlee
Acting Secretary of the Army

PURPOSE OF THE POSTURE STATEMENT

The Army Posture Statement provides an overview of today's Army. Focusing on the Soldier, the centerpiece of the force, it explains the current and future strategic environments that provide our mandate for transformation. Our core competencies and how we intend to meet our current demands and future challenges are outlined. It describes what we must become in order to provide more ready and relevant forces and capabilities to the Joint Team.



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The 2004 Army Posture Statement along with the following addenda can be found at <http://www.army.mil>

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Addendum B: Army Support to Combatant Commanders

Addendum C: Recruiting Initiatives

Addendum D: Well-Being Initiatives

Addendum E: Missile Defense

Addendum F: Chemical Demilitarization

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Addendum K: Glossary of Terms and Acronyms

2004 ARMY POSTURE STATEMENT EXECUTIVE SUMMARY

OUR NATION AT WAR

Our Nation, and our Army, are at war. It is a different kind of war, fought against a global terrorist network and not likely to end in the foreseeable future. In the days following the attacks on September 11, 2001, President Bush spoke candidly to the Nation. "These terrorists kill not merely to end lives, but to disrupt and end a way of life." He added: "The only way to defeat terrorism as a threat to our way of life is to stop it, eliminate it and destroy it where it grows."

Our Army exists to fight and win our Nation's wars. We are an integral member of the Joint Team committed to winning in fulfillment of our responsibilities to national security. We are fighting to preserve the American way of life and to safeguard the many freedoms our citizens enjoy. Our Soldiers and their families have not forgotten the events of September 11, which launched us to action in Afghanistan and Iraq. They are reminded daily of the ongoing conflict through separation, concern for forward-deployed loved ones and, most regrettably, news of casualties. Our Army continues the mission and remains committed to defeating our enemy.

OUR ARMY'S CORE COMPETENCIES

As our Army fights the current war and remains dedicated to transforming, we are focused on our two core competencies: (1) **Training and equipping Soldiers and growing leaders;** (2) **Providing relevant and ready land power to Combatant Commanders as part of the Joint Force.**

Our Army must be an agile and capable force with a Joint and Expeditionary Mindset. This mindset is the lens through which we view our service. We must be mobile, strategically deployable and prepared for decisive operations whenever and wherever required. We must

be lethal and fully interoperable with other components and our allies, as well as flexible, informed, proactive, responsive and totally



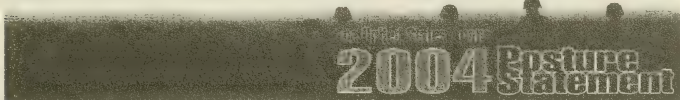
integrated into the joint, interagency and multinational context. Our management and support processes must reflect and support these same characteristics.

STRATEGIC ENVIRONMENT – OUR MANDATE FOR TRANSFORMATION

At the end of the Cold War, the United States had no peer competitor. Our Army was much larger and was built around heavy, mechanized and armored formations. Because America stood as the lone superpower during this time of global realignment, we were able to downsize our force structure. Today, the future is uncertain and presents many challenges. The emerging challenges manifest themselves as new adaptive threats, employing a mix of new and old technologies that necessitate changes to the ways in which the elements of our national power are applied.

The 21st century security environment is marked by new actors and a noteworthy proliferation of dangerous weapons, technologies and military capabilities. While threats from

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potentially hostile regional powers remain, increasingly non-state actors, operating autonomously or with state-sponsorship, also are able to endanger regional and global security. These forces — insurgents, paramilitaries, terrorists, narco-traffickers and organized crime — are a growing concern. They often are networked and enabled by the same tools and information systems used by state actors. Our adversaries will rely more frequently on indirect and asymmetric methods, such as anti-access and area-denial strategies, unrestricted warfare and terrorism, to mitigate their relative disadvantage. The most dangerous of these threats are the development and proliferation of weapons of mass destruction (WMD) — including biological or chemical agents, or radiological “dirty bombs” — to attack the United States. This security environment requires that the Army have the capability to dominate throughout the spectrum of conflict and to plan for multiple future contingencies.

As a result of this adaptive enemy and our worldwide commitments, current organizations, systems and facilities are and will continue to be stressed. We now rely on our Reserve Component to support our operations to a degree not seen since World War II. As of January 14, 2004, there were more than 164,000 Reserve Component Soldiers mobilized with over 139,000 of them serving overseas. The institutional Army is being asked to do more, applying lessons learned from current operations. These lessons are critical to our organizations and individual Soldiers as they prepare for worldwide missions. Therefore, the current and future strategic environments require the Army to have the capability to dominate throughout the spectrum of conflict and to plan for multiple contingencies. These new security challenges, coupled with the current war on terrorism, require a different approach.

ARMY FOCUS AREAS

Last summer, Army leaders identified immediate focus areas instrumental to adapting Army organizations and processes that will help us to better meet the Nation's security requirements. All of our focus areas should be viewed in the context of our ongoing efforts to retain the campaign qualities of our Army while simultaneously developing a Joint and Expeditionary Mindset. Of these focus areas, a critical enabler is the redesign of our resource processes to be more flexible, responsive, and timely. Our goal is to be a better Army every day — better able to execute our core competencies as members of the Joint Team.

ADAPTING RESOURCE AND ACQUISITION PROCESSES

The resource process is at the core of our Army's mission success. Our Nation faces a cunning and adaptive enemy, predictable only in his zeal and intent. We are just as cunning and our Soldiers are constantly changing tactics and techniques in order to disrupt the enemy's plans. In the same way, our resource and acquisition processes must become more flexible, responsive and timely in order to take immediate advantage of technological improvements and to sustain the quality of the force over time.

RESETTING OUR FORCE

Quickly resetting our forces upon their redeployment from current operations is a strategic imperative. The reset program incorporates lessons learned from Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), retraining essential tasks, adjusts pre-positioned stocks of equipment and ammunition, and brings unit equipment readiness back to standard. Units must recover quickly in order to provide the Combatant Commanders with land-power capabilities for future requirements. We will face challenges as we rotate troops from



deployment to home station, while simultaneously maintaining vigilance and readiness.

Continued congressional support and adequate resources are needed to accomplish our reset tasks and to mitigate the risk we have incurred to our Current and Future Forces. The FY04 defense legislation and supplemental appropriation delivered substantial assistance toward covering the cost of current operations and initiating the reset process. We fully appreciate the exceptional support Members and their staffs have provided this year. But, the job is not complete. In fact, it has only just begun.

MITIGATING STRATEGIC RISK THROUGH INCREASED LAND POWER CAPABILITY

Today our Army is executing operations in defense of the homeland (Operation Noble Eagle); stability and support operations in the Balkans (Stabilization Force/Kosovo Force); peacekeeping in the Sinai as part of the Multinational Force and Observers (MFO) and combat operations in Iraq and Afghanistan (Operation Enduring Freedom/ Operation Iraqi Freedom). We are also forward stationed in Korea and elsewhere. Approximately two-thirds of our active and reserve combat formations were deployed in FY03 and will be deployed in FY04.

These deployments, coupled with planned future rotation of units into OIF and OEF, the largest movement of Army troops since World War II, have highlighted already existing stress to our force. To mitigate risk, the Army is embarking on a series of initiatives. The first initiative is **resetting forces** returning from OIF and OEF to a standard higher than before their deployment. A second establishes **force stabilization** measures to reduce turbulence amongst Soldiers, units and their families. Thirdly, the Army is internally **rebalancing Active and Reserve Component** forces to better posture our existing force structure to meet global commitments. And lastly, we are beginning



to increase the number of available combat brigades through improved force management and **modular reorganization**. This increase allows the Army to improve strategic flexibility, sustain a predictable rotation cycle, and permits the Reserve Component to reset.

To facilitate this end state, the Army will seek to maintain, or even to increase temporarily, its current level of manning. These measures, when resourced, will mitigate risk and ultimately provide increased capability to Combatant Commanders.

CONCLUSION

Our Nation is at war and our Army is at war; we remain ever relevant and ready to meet today's challenges. Yet there is much more to do. We are prioritizing wartime requirements, incorporating next-generation capabilities into current systems where appropriate, and preserving essential investments in the Future Force. We also are becoming more joint and expeditionary. We do not move forward alone, but as part of the Joint Team. We need the support of the American people and the U.S. Congress. With this backing, we will continue to carry the fight to our enemies to provide security here at home.

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CORE COMPETENCIES

Our Army has two core competencies, supported by a set of essential and enduring capabilities. These core competencies are: (1) **training and equipping Soldiers and growing leaders**; and (2) **providing relevant and ready land-power capability to the Combatant Commanders as part of the Joint Force**. Additionally, our Army's senior leadership has established immediate focus areas and issued specific guidance for planning, preparation and execution of actions aimed at rapidly effecting necessary transformation in support of these core competencies. See Addendum I (available at www.Army.mil) for more information on the Army's focus areas.

TRAIN AND EQUIP SOLDIERS AND GROW LEADERS

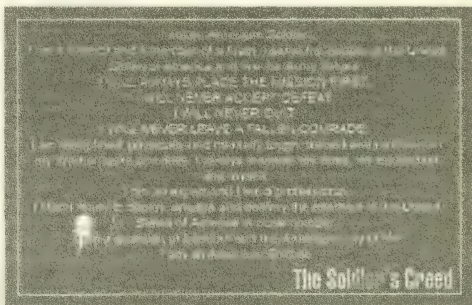
Our Army prepares every Soldier to be a warrior. Our training replicates the stark realities of the battlefield in order to condition Soldiers to react instinctively in combat. Such training is essential to building Soldiers' confidence in themselves, their equipment, their leaders, and their fellow Soldiers. Constant training in weaponry and field craft, and a continuous immersion in the warrior culture, give Soldiers the skills they need to succeed on the battlefield. Mental and physical toughness are paramount to the development of the warrior ethos and apply to all

Soldiers from private to general. Every Soldier is called upon to be a leader.

THE SOLDIER

The American Soldier remains the centerpiece of our combat systems and formations and is indispensable to the Joint Team. Adaptive, confident and competent Soldiers, infused with the Army's values and warrior culture, fight wars and win the peace. As a warrior, every Soldier must be prepared to engage the enemy in close combat; the modern battlefield has no safe areas. Our Army trains our Soldiers to that standard, without regard to their specialty or unit. The Soldier – fierce, disciplined, well-trained, well-led and well-equipped – ultimately represents and enables the capabilities our Army provides to the Joint Force and the Nation.

Our Soldiers are bright, honest, dedicated and totally committed to the mission. All share common values, a creed and a warrior ethos.



Our Army defines selfless service as putting the welfare of our Nation, Army and subordi-

nates before your own. Soldiers join the Army to serve. Most Americans do not fully realize the personal sacrifices these Soldiers and their families endure. However, our Soldiers know that they have done their part to secure our Nation's freedoms and to maintain the American way of life.

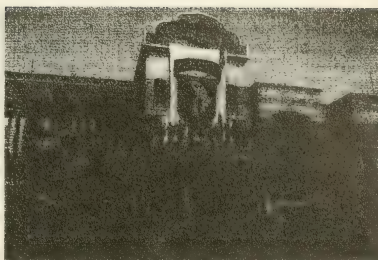
Our Soldiers' Creed captures the warrior ethos and outlines the professional attitudes and beliefs that characterize our American Soldier. The warrior ethos is about the refusal to accept failure and the conviction that military service is much more than just another job. It defines who Soldiers are and what Soldiers do. It is linked to our long-standing Army Values, and determination to do what is right and do it with pride.

RECRUITING AND RETAINING A HIGH-QUALITY VOLUNTEER FORCE

All of our Soldiers are warriors whose actions have strategic impact. Because we are at war and will be for the foreseeable future, we must recruit Soldiers who have the warrior ethos already ingrained in their character, who seek to serve our Nation, and who will have the endurance and commitment to stay the course of the conflict. We must recruit and retain Soldiers who are confident, adaptive and competent to handle the full complexity of 21st century warfare.

We will continue to bring the highest quality Soldier into the force. All newly enlisted Soldiers are high school graduates (diploma or equivalent) and 24 percent have some college. These young Americans, who believe service to our Nation is paramount, make our success possible. They display a willingness to stand up and make a difference.

Our recruiting and retention efforts continue to be successful. The active Army met its recruiting and retention goals in fiscal year 2003 (FY03). The Army National Guard exceeded its retention goals for FY03 and simultaneously



met its end strength objectives. The Army Reserve met its recruiting goals and all but one retention target in FY03. Most importantly, all components sustained their end-strength requirements.

We do not know yet the effect the high operational pace of recent months will have on our recruiting and retention in FY04 and future years. We must carefully monitor recruiting and retention trends and adequately resource our successful recruiting and retention initiatives. Incentives such as the Enlistment Bonus Program, The Army College Fund and the Loan Repayment Program, have successfully enabled the Army to execute precision recruiting in FY03. Our Special Forces Candidate "Off the Street" initiative continues to attract highly motivated and qualified warriors. Significantly, Selective Reenlistment Bonuses, such as the Present Duty Assignment Bonus and the Theater Selective Reenlistment Bonus, which are intended to enhance unit stability, have helped us realize our retention successes. For more information on recruiting, see Addendum C.

CIVILIAN COMPONENT ENHANCES OUR CAPABILITIES

Army civilians are an integral and vital part of our Army team. They are essential to the readiness of our Army at war and our ability

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to sustain operations. Our civilian employees share our Army values. They are smart, resourceful and totally committed to supporting our Soldiers and our Army to do whatever it takes to meet the challenges that come our way. These dedicated civilians perform critical, mission-essential duties in support of every functional facet of combat support and combat service support, both at home and abroad. Army civilians serve alongside Soldiers to provide the critical skills necessary to sustain combat systems and weaponry. They work in 54 countries in more than 550 different occupations. In FY03, nearly 2,000 Army civilians deployed to Southwest Asia in support of Operation Iraqi Freedom, Operation Enduring Freedom, and the Global War on Terrorism (GWOT). They have the education, skills and experience to accomplish the mission while ensuring continuity of operations for all commanders.

REALISTIC TRAINING – ESSENTIAL TO MISSION SUCCESS

Tough, realistic training ensures that our Soldiers and units maintain readiness and relevance as critical members of the Joint Force. Our

of our troops. We revised our training ammunition standards to allow Combat Support and Combat Service Support units to conduct live fire exercises under conditions similar to those they might encounter in combat.

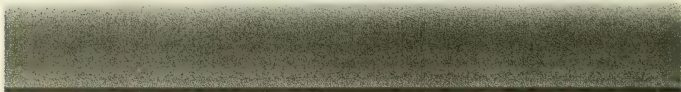
The Army's OPTEMPO budget is among its top priorities. Our leadership is committed to fully executing the Active and Reserve Component ground and air OPTEMPO training strategies, which include actual miles driven and hours flown, as well as virtual miles associated with using simulators. The flying hour program is funded to achieve a historic execution level of live flying hours per aircrew per month. If units exceed the historic execution level, our Army will increase their funding. Thus far this year, OPTEMPO execution reports show units exceeding their programmed miles driven and hours flown. These are the units that are aggressively preparing for deployments to OIF and OEF, as well as the units who recently have returned and are preparing for future operations. Our combined arms training strategy is working and sustaining our warfighting readiness. We see the results every day in Afghanistan and Iraq.

JOINT AND EXPEDITIONARY

Our Army is the dominant ground component of the Joint Team and provides the Joint Force Commander a campaign quality force with unique and complementary capabilities. We are vital and indispensable members of the Joint Team first and are a Service second. We must remain aware that our Army always conducts operations — offensive, defensive, stability and support — in a joint and expeditionary context. Acting in concert with air and naval power, decisive land power creates a synergy that produces a Joint Force with abilities far exceeding the sum of the individual service components. Our Army can: support civil authorities at home and abroad; provide expeditionary forces at the right time and the right place; reassure our allies and multinational partners; deter ad-



Army's combined-arms training strategy, including an appropriate mix of live, virtual, and constructive training, determines the resource requirements to maintain the combat readiness





versaries and, should deterrence fail, decisively defeat the enemy; and win the peace through post-conflict operations, in concert with interagency and multinational efforts. Our Army must continually examine the capabilities resident in and required by the Joint Force. We will concentrate our energies and resources on those attributes which our Army is best suited to provide to the Joint Force. Our Army will arrive on the battlefield as a campaign-quality force fulfilling the requirements of the Joint Force Commander — lethal, agile, mobile, strategically responsive, and fully interoperable with other components within the interagency and multinational context.

TRAIN AND EDUCATE ARMY MEMBERS OF THE JOINT FORCE

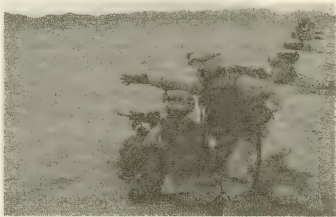
Our Army is taking action across a broad front to make jointness an integral part of our culture by including this concept in our education and training programs. We have always produced leaders with the right mix of unit experience, training, and education. As we look to the future, we know that, to meet our current and future leadership requirements and those of the Joint Force, we must redesign aspects of our Army's training and leader development programs to include lessons learned from current operations. Our objectives are to increase our ability to think and act jointly and to provide our Soldiers with the latest and most relevant techniques, procedures and equipment that will make them successful on the battlefield.

Additionally, the changes acknowledge the current and projected pace of operations and deployments. As a result, we will be better prepared for the current and future strategic environments.

Maintaining a ready Current Force today and achieving a transformed Future Force tomorrow requires a shift in the way units train for joint operations. Our Army's Training Transformation Initiative (TTI), which supports the June 2003 Defense Department Training Transformation Implementation Plan, provides dynamic, capabilities-based training and mission rehearsal in a joint context.

LEADER DEVELOPMENT — TRAIN FOR CERTAINTY, EDUCATE FOR UNCERTAINTY

Leader development is an essential part of our Army's core competencies and the lifeblood of our profession. It is the deliberate, progressive



and continuous process that develops our Soldiers and civilians into competent, confident, self-aware, adaptive and decisive leaders. They emerge prepared for the challenges of 21st century combined arms, joint, multinational and interagency operations.

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Army leaders at all levels bear responsibility for America's Soldiers and accomplishing the mission, whatever it may be. The range of missions and their complexity continue to grow, presenting our leaders with even greater challenges than previously experienced. The evolving strategic environment, the gravity of our strategic responsibilities, and the broad range of tasks that the Army performs require us to review, and periodically to refocus, the way we educate, train and grow professional warfighters.

We have a training and leader development system that is unrivaled in the world. Our professional military education prepared our officers and noncommissioned officers to fight and win in Iraq and Afghanistan. We will continue to develop our leaders with the right mix of operational assignments and training and education opportunities that meet the current and future requirements of the Army and Joint Force. Our leader training focuses on *how to think*, not *what to think*. We will maintain our investment in the future by sustaining the highest quality leader training and education for our Army.

COMBAT TRAINING CENTERS (CTC)/ BATTLE COMMAND TRAINING PROGRAM (BCTP)

The CTC program is a primary culture driver for our Army. Additionally, our CTCs are a primary enabler of, and full participant in, the Joint National Training Capability. The CTCs develop self-aware and adaptive leaders and Soldiers and ready units for full spectrum, joint, interagency and multinational operations. CTCs continuously integrate operational lessons learned into the training. Our Army enhances the training experience offered by our CTCs (National Training Center in California, Joint Readiness Training Center in Louisiana,

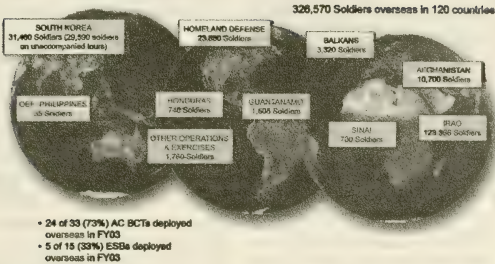


Combat Maneuver Training Center in Germany and Battle Command Training Program based in Kansas) by increasing the focus on development of capabilities essential to joint operations. Leader training and development during CTC exercises hone the Joint and Expeditionary Mindset and promote our Army's warrior culture.

PROVIDE RELEVANT AND READY LAND POWER CAPABILITIES TO THE COMBATANT COMMANDER AND THE JOINT TEAM

To meet global commitments across the full spectrum of military operations, our Army has mobilized more than 164,000 Reserve Component Soldiers. More than 325,000 American Soldiers are serving overseas and more than 23,000 Soldiers are supporting operations within the United States. This high operating tempo is no longer an exception. Sustained operations and deployments will be the norm for our Army forces supporting multiple and simultaneous shaping and stability operations around the globe. At the same time, we will continue to contribute to Joint Force execution of major combat operations, homeland security missions and strategic deterrence.

ARMY GLOBAL COMMITMENTS



ARMY GLOBAL COMMITMENTS

Our Army is engaged in more than 120 countries throughout the world. To highlight our Army's commitment, a review of the major warfighting formations of the Active and Reserve Component serves as a measurable benchmark. Over 24 of the Army's 33 Active Component Brigade Combat Teams (BCTs), and five of our 15 Reserve Component Enhanced Separate Brigades (ESB) were deployed in FY03. This trend will continue in FY04, with 26 of 33 Active Component BCTs and six of our 15 Reserve Component ESB brigades projected for deployment.

The majority of these combat formations are deployed in the U.S. Central Command area of responsibility (AOR), effectively executing stability and support operations. More than 153,000 Soldiers are supporting CENTCOM operations in Iraq, Afghanistan, Kuwait and the Horn of Africa. We are currently in the middle of the largest movement of troops since WWII, as we rotate more than eight-and-a-half divisions and two ESBs to or from the theater. The approximate ratio of Active to Reserve Component forces today is currently 63 to 37 percent,

respectively. Once our current rotation is complete, the ratio will change to approximately 54 to 46 percent, Active to Reserve Component. Since September 11, we have mobilized almost half of the Reserve Component. They are trained, professional, and ready to execute any task.

Army support to other Combatant Commanders remains high. U.S. Northern Command's Army component, U.S. Army Forces Command, provides more than 23,000 Active and Reserve Component Soldiers for duty in the defense of our homeland. These troops are available for missions including Military Assistance to Civil Authorities (MACA), emergency preparedness, and anti-terrorist operations. The Army Reserve provides to NORTHCOM significant voice and data connectivity necessary to execute real-time operations. U.S. European Command provides forces, such as V U.S. Corps, to CENTCOM; and to Stability Force (SFOR) and Kosovo Force (KFOR) in the Balkans. U.S. Pacific Command supports ongoing operations in the Philippines, as part of the Global War on Terrorism, in addition to maintaining more

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than 31,000 Soldiers on the Korean Peninsula. **U.S. Southern Command** is fully engaged as the headquarters for 1,500 Soldiers executing detainee operations at Guantanamo Bay, Cuba; has deployed 740 Soldiers to Joint Task Force - Bravo at Soto Cano Airbase, Honduras; and is assisting the government of Colombia in its war on narco-terrorism. **U.S. Special Operations Command's** Army component provides professional, dedicated, and specially trained Soldiers to each Combatant Commander. These Soldiers, working closely with conventional forces, have been instrumental to our success in the Global War on Terrorism.

In addition to federal missions, our Army National Guard (ARNG) plays an important domestic role, routinely responding to state emergencies. In FY03, there were 280 requests for emergency support, ranging from basic human needs to engineering support during natural disasters. Our ARNG has fielded 32 Weapons of Mass Destruction (WMD) Civil Support Teams (CST), which assist first responders in the event of an incident. Another 12 CSTs are due to be activated within 18 months. To date, these teams have responded to 74 different requests for support. Also, more than 8,000

RESETTING THE FORCE

The extraordinary demands major combat and stability operations in Afghanistan and Iraq are placing on our equipment and personnel require that our Army quickly reset returning units for future national security needs. The reset program will incorporate lessons learned from OIF and OEF, retrain essential tasks, adjust pre-positioned stocks of equipment and ammunition, and bring unit equipment readiness back to standard. The objective is to ensure our Army forces are ready to respond to near-term emerging threats and contingencies. However, reset cannot be viewed as a one-time event. Reset will continue to be key to our future readiness as our military executes our National Security missions.

Through reset, all returning active duty and Army Reserve units will achieve a sufficient level of combat readiness within six to eight months of their arrival at home station. The Army National Guard will take longer to achieve the desired level of readiness. The goal for these units is to reestablish pre-deployment readiness within one year. Our Army also will take advantage of reset as an opportunity to reorganize units into modular designs that are more responsive to regional Combatant Commanders' needs; that better employ joint capabilities; that reduce deployment time; and that fight as self-contained units in non-linear, non-contiguous battlespaces. This effort began with the 3rd Infantry Division and will soon be expanded to include the 101st Airborne Division (Air Assault).

In addition to investing in new equipment to replace items that were destroyed or worn out during combat and stability operations, the reset program will repair major items used in OIF and OEF. Repair requirements have been determined for all OIF units and the workload for this comprehensive effort is immense: about 1,000 aviation systems; 124,400 communications and electronics systems;



ARNG Soldiers have executed critical force protection duties at 148 Air Force installations in CONUS.

5,700 combat/tracked vehicles; 45,700 wheeled vehicles; 1,400 missile systems; nine Patriot battalions; and approximately 232,200 items from various other systems. This effort represents a significant expansion of normal maintenance activities, requiring the increased use of CONUS and OCONUS based depot, installation and commercial repair facilities.

Reconfiguring existing Army pre-positioned stocks for global coverage of potential missions is a major component of the reset process. The intent is for each stock to have sufficient combat power to meet the immediate threat, as well as enough materials to render relief in other contingencies.

Congressional support, in the form of supplemental appropriations, has been invaluable in beginning the reset effort. Our readiness depends directly on the successful execution of the reset program, and it will remain an ongoing priority for the foreseeable future. Continued resourcing will be needed to ensure that our Army can fight the current war and posture itself for future missions.

TRANSFORMATION: MOVING FROM THE CURRENT TO THE FUTURE FORCE

The goals of Army Transformation are to provide relevant and ready forces that are organized, trained and equipped for full-spectrum joint, interagency and multi-national operations and to support Future Force development. Army Transformation occurs within the larger context of changes to the entire U.S. military. To support our Army staff in the execution of transformation, the Army leadership directed the establishment of an Army Training and Doctrine Command (TRADOC) Futures Center, operational as of October 2003.

Our Current Force is organized, trained and equipped to conduct operations as part of the Joint Force. It provides the requisite decisive land power capabilities that the Joint Force commander needs across the range of military



operations: support to civil authorities at home and abroad; expeditionary forces; the ability to reassure friends, allies and multinational partners; dissuading and deterring adversaries; decisively defeating adversaries should deterrence fail; and winning the peace as part of an integrated, inter-agency, post-conflict effort.

Our Future Force is the operational force the Army continuously seeks to become. Informed by National Security and Department of Defense guidance, it is a strategically responsive, networked, precision capabilities-based maneuver force that is dominant across the range of military operations envisioned for the future global security environment.

As our Army develops the Future Force, it simultaneously is accelerating select future doctrine, organization, training, materiel, leadership, personnel, and facilities (DOTMLPF) capabilities into our Current Force. This process will be fundamental to our success in enhancing the relevance and readiness of our Army and prosecuting the Global War on Terrorism. Similarly, the operational experience of our Current Force directly informs the pursuit of Future Force capabilities.

BALANCING CURRENT AND FUTURE READINESS

Balancing risk between current and future readiness remains a critical part of our Army's

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transformation process and one that requires continual assessment to ensure that plans and programs are aligned with overall requirements. Without question, the issue of current operational readiness is our Army's highest priority. During the past several years, our Army made a conscious decision to accept a reasonable degree of risk to the readiness of our Current Force in order to permit investment in capabilities for our Future Force. This risk came in the form of reductions in and limitations to modernization and recapitalization programs. As part of the past four budget submissions, our Army made difficult choices to cancel and restructure programs, shifting resources to the development of transformational capabilities. Some of these investments have already produced results: for example, the new Stryker Brigade Combat Team formations now being fielded, the first of which is currently deployed on the battlefield in Iraq. Others are helping to develop emerging technologies and capabilities that will be applied to our force throughout the coming decade.

Besides the ongoing efforts related to equipping the Current Force, our Army also has begun other major initiatives that will improve our readiness and relevance in the future. These include an effort to realign Active and Reserve

Component units and capabilities, in order to make our Army more readily deployable and available to Joint Force Commanders; home-basing and Unit Focused Stability, which will improve readiness and reduce personnel turbulence; and the reorganization of Army units into more modular and capability-based organizations.

While the previous decisions to accept reasonable risk in our Current Force were considered prudent at the time, the strategic and operational environment has significantly changed in light of the large-scale engagement of Army forces in Operation Iraqi Freedom and other expeditionary operations. Ever-changing demands on our force, coupled with our commitment to mitigating risk to our Soldiers, have necessitated re-examination and transformation of our Army's resource process and business practices (see Addendum H at www.Army.mil).

MAKING THE RESOURCE PROCESS MORE RESPONSIVE

The resource process is our Army's center of gravity. Without the right people, the proper equipment, top-notch installations and adequate dollars to support all appropriately, our Army would not be able to fulfill its duty to our Nation.

In order to maintain our premier warfighting capability, Army resource processes must be flexible, dynamic, transparent and responsive to both our requirements and those of the Joint Force. This is especially true in today's environment. We are at war against conventional and unconventional enemies, and simultaneously pursuing transformation. Our resource process must be transformed to allow us to keep pace with changes brought on by the enemy. Though we anticipate the battle against terrorism will last for years, possibly decades, we cannot program and budget in advance for that war. Our Army obviously cannot ignore our country's current security needs, yet it would be equally imprudent to deviate from the de-

velopment and fielding of our Future Force. Balancing these requirements will be one of our toughest tasks.

The GWOT requires a host of radical paradigm shifts in the way we view the face and nature of our global operating environment, as well as in the way that we conduct operations. Responsible yet creative stewardship of our resources will remain absolutely necessary. Internal controls must be tightened and waste eliminated; outsourcing non-core functions is still an important option. Risk will continue to be a factor and our resourcing decisions must take this into account.

We must transform our resource processes and adjust our priorities to meet the challenge of the current strategic environment. Because we cannot mass-produce a volunteer Army, the retention of the right volunteer force is an imperative. This force is essential to the combat effectiveness of an increasingly complex and technologically sophisticated Army. We must refine and streamline the resource, acquisition, and fielding processes for equipment and supplies as we cannot make up for lost time in a crisis.

ACCELERATED ACQUISITION AND FIELDING

We have adapted and continue to improve our acquisition and fielding processes. In 2002, as Soldiers reported equipment shortages in Afghanistan and elsewhere, we implemented the Rapid Fielding Initiative (RFI) to ensure that all of our troops deploy with the latest available equipment. Equipment fielding schedules were

PROTECTING ARMY FORCES

AREA	WHERE WE WERE A YEAR AGO	WHERE WE ARE TODAY
Soldier Body Armor	Est 12% OIF Soldiers equipped	On-hand in OIF - Enough body armor to equip all Army Soldiers
Armored HMMWVs	500 OEF/OIF HMMWVs	More than 1900 OEF/OIF HMMWVs
State-of-the-Art Soldier Equipment "Rapid Fielding Initiative"	2 % OEF/OIF Soldiers equipped	100% OEF2 ESAs - Feb 04 30% OIF 2 Soldiers - Jun 04
Armoring of Light-skinned Vehicles	Contingency missions only	Executing plan to armor more than 10,000 OEF/OIF vehicles
Styker/Bradley Add-on Armor	Bradley plan only	100% Styker armor 75% OEF 1 Bradley complete
Aircraft Survivability Equipment (ASE)	All OEF/OIF rotary wing aircraft equipped	Upgrading OEF/OIF rotary wing w/ASE & equipping select fixed wing
Rapid Airster Initial Deployment (RAID)	3 OEF systems deployed	4 OEF/OIF systems deployed, on contract for 17 additional systems
Counter IED Device	None fielded	Capability in theater
Tactical & Small Unmanned Aerial Vehicles (UAVs)	0 OEF/OIF systems deployed	9 OEF/OIF systems deployed; Objective: 194

revised to support unit rotation plans, and procurement and fielding cycles were radically compressed.

In coordination with field commanders and our Soldiers, a list of more than 40 mission-essential items, including the Advanced Combat Helmet,

close-combat optics, Global Positioning System receivers, Soldier intercoms and hydration systems, was identified for rapid fielding. Laying the foundation for acquisition transformation, RFI already has equipped nine brigade combat teams (BCTs). In FY04, RFI will upgrade a minimum of 18 BCTs and eight enhanced



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Separate Brigades, serving in OIF and OEF. Additionally, we are accelerating fielding of select future capabilities to our Current Force. These items include thermal weapon sights, enhanced night vision goggles, improved body armor, the Future Combat Rifle, and a new sniper rifle. Congressional support for regular budget and supplemental spending requests enables our Army to put this improved equipment in the hands of our Soldiers.

With this support, our Army also has instituted a Rapid Equipping Force (REF) that works directly with operational commanders to find solutions to operational requirements. These solutions may be off-the-shelf or near-term developmental items that can be made quickly available. For example, the REF established a coordinated effort to supply U.S. Forces with immediate solutions to counter improvised explosive device (IED) threats. Currently, IED teams are on location providing expertise and material solutions, to safeguard our Soldiers. We are acting aggressively to improve the armor protection of our armored and light-skinned vehicles. Other recent examples of REF products are the Well-Cam and PackBots. The Well-Cam is a camera, attached to an Ethernet cable and a laptop, that enabled Soldiers in Afghanistan to search wells for weapons caches. PackBots are operational robots used to clear caves, buildings, and compounds so Soldiers are not unnecessarily put in harm's way.

RFI and REF provide timely support to our relevant and ready forces and to the Combatant Commanders, and facilitate Army Transformation.

BALANCING OUR ACTIVE AND RESERVE COMPONENT FORCE STRUCTURE

Currently, neither our Active nor Reserve Component is optimized for today's rapid deployability requirements. We will continue ongoing efforts to restructure our forces in order to mitigate stress; to align better with the cur-



rent and projected security environments; and to offer campaign-quality land power capabilities to the Combatant Commanders. By doing so, we will ensure that our Army provides the responsiveness and depth required to achieve strategic and operational objectives, while simultaneously defending our homeland.

Our Army is restructuring and rebalancing more than 100,000 positions in our Active and Reserve Component force structure. These conversions increase the Active Component capabilities available to support the first 30 days of a rapid response operation. In response to Secretary of Defense guidance, we have already completed approximately 10,000 positions. For example, the Army National Guard provisionally organized 18 additional military police (MP) companies. Between FY04 and FY09, our Army will divest approximately 19,500 positions of less frequently used Active and Reserve Component force structure to further resource critical high demand units such as military police, civil affairs, and special operations forces. We project that future rebalancing efforts will convert an additional 80,000 positions of lower-priority force structure. Despite these changes, our Army will remain stressed to meet anti-

pated requirements. To ensure that our Army can fulfill its commitment to our Nation, we should have the force capability level required to facilitate rebalancing, resetting, restructuring, and transforming of the Army.

Military-to-civilian conversions are another way to improve manpower efficiency. More military personnel will fill the operational force if they are moved out of positions that can be prudently performed by civilians. To improve the Army's ability to better support worldwide commitments, it is essential to start this process now.

Our Reserve Component relies heavily on Full-Time-Support (FTS) personnel to sustain support of current contingencies while restructuring the force. FTS personnel perform the vital, day-to-day organizational, administrative, training and maintenance activities that ensure the highest level of Soldier and unit readiness. To guarantee that our Army's Reserve Component will continue to fulfill ever-increasing demands with trained and ready units, our Army plans to raise FTS authorizations by 15 percent, from the current level of 71,928 to 85,840, by FY12. In 2003, the Army Reserve began implementation of the Federal Reserve Restructuring Initiative. The goal is to better meet contingency requirements and to improve unit readiness.

ACHIEVING GREATER COMBAT CAPABILITY WITH MODULAR, CAPABILITIES-BASED UNIT DESIGNS

Modular units are interchangeable, scalable, and tailorable formations, which provide the Joint Force Commander with a strategically responsive force that greatly increases his ability to defeat any adversary. Modularity enables us to tailor our capabilities to the requirements of the situation and delivered at the right time and the right place. Modularity permits the Combatant Commander to optimize his warfighting tool set.



Moving toward independent, echelon-above-brigade headquarters will enhance modularity. In accordance with our Unit of Employment (UE) construct, a UE will provide the command-and-control structure into which modular, capabilities-based Units of Action (UA) are organized to meet Combatant Commander requirements. These UAs will incorporate essential maintenance, intelligence, and communications functions previously provided by higher level organizations. Our UE headquarters, while able to accept joint capabilities such as a Standing Joint Force Headquarters element, will have an organic capability, depending on the contingency, to function as a Joint Task Force or Joint Force Land Component Command headquarters like we have already done in Afghanistan and Iraq.

FORCE STABILIZATION

The great demands placed on our Army have forced us to re-examine many of our long-standing personnel and basing practices. As a result, our Army is transitioning to an improved manning system, designed to augment unit readiness by increasing stability and predictability for commanders, Soldiers and families. Force Stabilization will allow Reserve Component Soldiers to plan for their deployments while supporting their civilian jobs and their

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community commitments. It places greater emphasis on building and sustaining cohesive, deployable, combat-ready forces for Combatant Commanders.

The home-basing initiative keeps our Soldiers in their assignments at specific installations longer, thus reducing unit turbulence and increasing unit cohesion. Unit Focused Stability synchronizes our Soldiers' assignments to their units' operational cycle, providing a more capable, deployable and prepared unit.

INSTALLATIONS AS OUR FLAGSHIPS

Our installations are an essential component in maintaining the premier Army in the world. For the warfighter, installations are the platforms from which we project military power. Our installations perform the following key missions: 1) provide effective training facilities; 2) rapidly



mobilize and deploy the force; 3) provide reach-back capabilities; 4) sustain and reconstitute the force; and 5) care for our families. As power projection platforms, our installations must be equipped with a robust information infrastructure that gives the deployed commander quick and efficient reach-back capabilities. All of these missions help to maintain our Army's deployability and fighting edge.

Historically, we have accepted risk in our infrastructure and installation services in order to maintain our current readiness. The cumulative effect on our installations is that commanders rate more than 50 percent of our facilities as "adversely affecting mission and training requirements." We have adjusted our management processes to be more effective stewards of our resources. In 2002, we established the Installation Management Agency (IMA) to create a corporate-focused structure that provides efficient installation management worldwide. The IMA uses creative management programs to sustain quality installations and maintain the well-being of the entire Army family.

The Installation Information Infrastructure Modernization Program (I3MP) enhances the installation's role in power projection and provides the architecture to address the essential reach-back requirement. Additionally, our Installation Sustainability Plan addresses ways to fulfill environmental requirements without impacting current or future training. Other important progress include modernization of barracks and housing; a Residential Communities Initiative; and divestiture of redundant facilities infrastructure and non-core utility systems through privatization.

In the past few years, the administration and Congress have helped us to begin addressing our infrastructure challenges. We received 94 percent of funding required for installations in FY04. We have made progress in improving our installations by adjusting existing programs and developing new management strategies. However, there is much still left to do in order to upgrade our installations to better support the mission, Soldiers, and our families.

ARMY FAMILIES AND WELL BEING

People are the heart and soul of the Army - Soldiers, civilians, family members, and retirees. Our readiness is inextricably linked to the well being of our people. The Army Family, for both the Active and Reserve Competent, is a





force multiplier and provides the foundation to sustain our warrior culture. We have placed significant emphasis on our Reserve Component this year in recognition of their contributions to the Global War on Terrorism. With the help of the administration and Congress, many improvements have been made including the retention and increase of Imminent Danger Pay, Family Separation Allowance, and a sizable pay raise. Other key well-being initiatives include the Spousal Employment Partnership, new TRICARE policies for the reserve components, and improvements in barracks and family housing. For more information on other Army well-being initiatives, see Addendum D (available at www.Army.mil)

INTRODUCING NEW CAPABILITIES INTO CURRENT FORCE

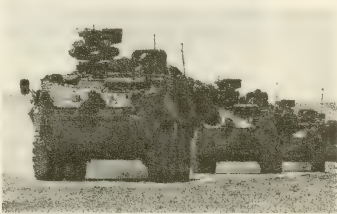
While at war, the urgency to accelerate the development and fielding of new and enhanced capabilities to our fighting forces in the field has never been greater. Our Army is making significant strides in this regard with the employment of a new brigade combat team organization, equipped with the latest available technology, to provide the Combatant Commander with enhanced warfighting capabilities. The rapid fielding of the Stryker vehicle demonstrates our Army's ability to use

the acquisition and resource processes to meet a Combatant Commander's urgent needs.

STRYKER BRIGADE COMBAT TEAM (SBCT)

In 2003, our Army deployed our first SBCT, the 3rd Brigade, 2nd Infantry Division, to Operation Iraqi Freedom, delivering its enhanced capability to the Joint Force in record time: four years from broad concept to deployment. Exceptional support from Congress and the Office of the Secretary of Defense, along with close collaboration between the Army and industry, made this achievement possible.

Stryker brigades are our Army's first truly network-centric force, filling the capability gap between light- and heavy-force units with an infantry-rich, mobile force that is strategically responsive, tactically agile, and more lethal. Improved battlespace awareness and battle-command technologies embedded in



our SBCTs enhance combat effectiveness and survivability by integrating data from manned and unmanned air and ground-based sensors and providing real-time, continuous situational understanding. Planned enhancements will incorporate still-developing technologies. Significantly, our SBCTs will improve our Army's understanding of Future Force processes, helping us to formulate an advanced warfighting doctrine that will serve as an important bridge

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to the development of our Unit of Action, the structural foundation of our Future Force.

This spring, our second SBCT at Fort Lewis, Washington, will become operational. Our third SBCT, in Alaska, will be available in 2005. Continued OSD and congressional support will ensure that subsequent brigades in Hawaii, Louisiana, and Pennsylvania, are fielded between 2004 and 2008.

FUTURE CAPABILITIES

Our Army plans to field a number of systems this decade that will provide a foundation for informing the transformation of our Current Force capabilities into those needed by our Future Force. Once fielded, these systems will perform as interdependent systems of systems and will greatly enhance joint warfighting capabilities. Our future capabilities programs are designed to enhance the campaign-quality land-power capabilities that we provide to the Combatant Commanders. Our programs undergo continuous reviews to ensure they meet the capability requirements of the Joint Force. When required, we restructure programs, revise requirements and reprogram resources. The following are just a few of the key transformational systems our Army will begin to field during the next six years:

The Network. Our Future Force situational dominance will depend upon a comprehensive, ubiquitous, and joint-interoperable Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) architecture (the Network) that enables the Joint Force Commander to conduct fully interdependent and network-centric warfare. The Network will provide the backbone of our Future Force and the future Joint Force, enabling the maneuver commander to effectively coordinate battlefield effects. Some of the more important systems within our Network include:

- **Warfighter Information Network - Tactical (WIN-T).** WIN-T will be the communications network of our Future Force, optimized for



offensive and joint operations, while providing the Combatant Commander the capability to perform multiple missions simultaneously.

- **Joint Tactical Radio System (JTRS).** JTRS is a family of common, software-defined, programmable radios that will become our Army's primary tactical radio for mobile communications.
- **Distributed Common Ground System - Army (DCGS-A).** DCGS-A is a single, integrated, ground-based, ISR processing system composed of joint, common hardware and software components and is part of the DOD DCGS family of systems.
- **Aerial Common Sensor (ACS).** This ISR system and platform will use robust sensor-to-shooter and reach links, (such as DCGS-A ground stations), to provide commanders at every echelon the tailored, multi-sensor intelligence required for joint operations.

Future Combat Systems (FCS). By extending the network capabilities into the Unit of Action, the FCS provide a system of systems capability

that was not previously available to Soldiers and commanders in joint operations. The core of our Future Force's maneuver Unit of Action is the Future Combat Systems, comprised of 18 manned and unmanned platforms that are centered around the Soldier and integrated within a C4ISR network. FCS will provide our Soldiers greatly enhanced situational awareness, enabling them to see first, understand first, act first and finish decisively. Our FCS platforms will offer the Joint Force networked, lethal direct fire; indirect fire; air defense; complementary non-lethal fires and effects; and troop transport capability. In May 2003, FCS moved, on schedule, into the System Development and Demonstration phase. Our Army is aggressively managing our FCS development effort and intends to achieve initial operational capability by the end of the decade.

ARMY SCIENCE AND TECHNOLOGY

The Army Science and Technology (S&T) Program provides our Army superiority in both human and materiel systems arenas—preventing technological surprise. The Army S&T program retains a dynamic portfolio of investments that are responsive to warfighter needs



today and into the future. The priority for Army S&T is to pursue paradigm-shifting technologies that can alter the nature of the military competition to our advantage in the future and, where feasible, to exploit opportunities to ac-

SPECIFIC S&T PROGRAMS FOR THE FUTURE FORCE

- Unmanned Combat Armed Aircraft
- Future Force Warrior
- Lightweight Multi-Mission Equipment Packages for UAVs
- Solid State Lasers
- Countermine technology
- Nano-and biotechnology to improve materials performance – ultra lightweight armor, enhanced infrared photo detection
- Medical technology for self-diagnosing and treatment

celerate the transition of proven technologies to our Current Force.

The Army S&T program exploits technology developments from the other services, defense agencies and commercial industry as well as international communities. The S&T program focuses on technology relevant to our Army and joint capabilities. It synchronizes operational concepts development and acquisition programs through transformational business practices that speed technology fielding to the Soldier. The Army's S&T program is balanced to satisfy the high payoff needs of the future force while seeking rapid transitions for critical capabilities to our Current Force.

JOINT OPERATIONAL CONCEPTS (JOPSC)

The Joint Force has transitioned from independent, de-conflicted operations to sustained interoperability. It must now shift rapidly to joint interdependence. To that end, we are reviewing training requirements, traditional relationships and developmental and institutional programs. This process includes ensuring that our operational concepts are nested inside those employed by the Joint Force. The con-

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cepts and initiatives listed below discuss particular Army emphasis areas; these areas are not all-inclusive. Functional concepts and other Army initiatives that support the JOPsC are discussed in detail in Addendum K (available at www.Army.mil).

ACTIONABLE INTELLIGENCE

Our Army also is focused on attaining actionable intelligence — intelligence that provides situational understanding to commanders and Soldiers with the speed, accuracy and confidence necessary to influence favorably current and future operations. Actionable intelligence achieves its intended purpose of empowering greater individual initiative and self-synchronization among tactical units by fusing information across organizations and echelons — accelerating the speed of decision-making and the agility of operations.

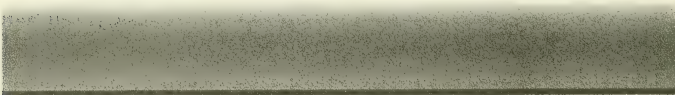


FOCUSED LOGISTICS

Our Army's current actions around the world in support of the Global War on Terrorism pres-



ent a view of future military operations and provide valuable insights as we transform our logistics systems from the Current to the Future Force. The successes enjoyed during OIF were the result of the integrated logistics team of Soldiers, civilians and contractors, all of whom developed innovative solutions to a range of challenges caused by four major capability gaps in the current logistics system. To sustain combat power, our Army must have the ability to "see the requirements" on-demand through a logistics data network. We require a responsive distribution system, enabled by in-transit and total-asset visibility and managed by a single owner who has positive end-to-end control in the theater. Our Army needs a robust, modular, force-reception capability — a dedicated and trained organization able to quickly open a theater and support continuous sustainment throughout the joint operations area. Lastly, we need an integrated supply chain that has a single proponent, who can reach across the breadth and depth of resources in a joint, inter-agency and multinational theater. As we move from the Current Force to the Future Force, we will build confidence in the minds of the Combatant Commanders by delivering sustainment on time, every time.



A COMMITMENT TO OUR NATION

Our Nation and our Army are engaged in a Global War on Terrorism – a war of survival against an insidious and cruel enemy that threatens our civilization and our way of life. This enemy is actively targeting the interests of America and our allies, both within our own country and abroad.

Defeating this enemy requires the continued, strong support of our Nation. The steadfastness of our Nation in this effort is readily apparent. Ordinary Americans are doing their part and will continue to do so. Congressional support for our troops has been critical to our success. The industrial base also has responded, accelerating production of items essential to our Soldiers' protection and warfighting ability.

Our Army, too, remains committed to its heritage of preserving freedom. American Soldiers display unrelenting tenacity, steadfast purpose, quiet confidence and selfless heroism. For America to survive and flourish throughout the 21st Century, our Army must defeat decisively the threats that challenge us today. To accomplish this essential task, we must recognize some important truths.

- The fight against terror will be a long one
- Our Army must simultaneously deter aggression, defeat the forces of international terrorism, and maintain our campaign qualities
- We must continue to modernize to meet the challenges of our future

- Our operational tempo is high and will remain so
- Sustained operations and deployments will be the norm for our Soldiers -- NOT the exception
- Old rules and operational methods may no longer apply; we will not achieve victory with a business-as-usual approach

Congressional backing for reset, our continued transformation to the Future Force, our rebalancing and restructuring of the Active and Reserve Component, and improvements to our installation infrastructure is essential to continued mission readiness. We fully appreciate the exceptional support Members and their staffs provided this past year. The support of the American people and their elected representatives in the United States Congress is essential.

Our Army's commitment to the future is certain. We will continue to provide our Nation, the President, the Secretary of Defense and the Combatant Commanders a unique set of core competencies and capabilities. We remain dedicated to training and equipping our Soldiers and growing leaders. We will continue to deliver relevant and ready land power to the Combatant Commanders and the Joint Force. We will protect our country and our way of life as we have for 228 years. It is our privilege, our duty, and our honor to do so.



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ADDENDUM

(DATA REQUIRED BY NDAA 1994)

Sections 517 and 521 of the National Defense Authorization Act (NDAA) for FY1994 require the information in this addendum. Section 517 requires a report relating to the implementation of the Pilot Program for Active Component Support of the Reserves, which was started under Section 414 of the NDAA for Fiscal Years 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard, including information relating to the implementation of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102-484, and referred in the addendum as 'ANGCRRA'). Section 521 reporting was later amended by Section 704, FY 1996 NDAA. U.S. Army Reserve information is also presented using Section 521 reporting criteria.

Section 517 (b)(2)(A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active-

	AC in RC*	Army Average**
Fiscal Year 2002 (percent)		
Major	82.1	89.8
Lieutenant Colonel	43.5	74.5
Fiscal Year 2003 (percent)		
Major	87.4	95.0
Lieutenant Colonel	40.5	79.8

*Active component officers serving in reserve component assignments at time of consideration.

**Active component officers not serving in reserve component assignments at the time of consideration.

component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program); compared to the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

Section 517 (b)(2)(B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active-component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	AC in RC*	Army Average***
Fiscal Year 2002 (percent)		
Major	3.0	5.1
Lieutenant Colonel	0	6.0
Fiscal Year 2003 (percent)		
Major	3.6	7.1
Lieutenant Colonel	0	6.5

*** Below-the-zone, active-component officers serving in reserve component assignments at time of consideration.

***** Below-the-zone, active-component officers not serving in reserve component assignments at the time of consideration.

Section 521(b).

1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National

Guard or U.S. Army Reserve Selected Reserve units.

a. Army National Guard (ARNG) officers: 21,042 or 57.1 percent.

b. U.S. Army Reserve (USAR) officers: 9,986 or 24.78 percent.

2. The number and percentage of enlisted personnel with at least two years of active duty before becoming a member of the Army National Guard or U.S. Army Reserve Selected Reserve units.

a. ARNG enlisted: 137,428 or 43.7 percent.

b. USAR enlisted: 35,261 or 20.55 percent.

3. The number of officers who are graduates of one of the service academies and were released from active duty before completion of their active-duty service obligation. Of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

- In FY03, no officers were released to the Selected Reserve to complete their obligation.

b. The number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

- In FY03, no waivers were granted by the Secretary of the Army.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation:

- In FY03, no distinguished ROTC graduates were released before completing their active-duty service obligation.

a. The number who are serving the remaining period of their active-duty service

obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

- In FY03, no waivers for distinguished ROTC graduates were granted.

b. The number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

- In FY03, no waivers were granted by the Secretary of the Army.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (A) two years of active duty, and (B) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year; (and the number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (A) two years of active duty, and (B) such additional period of service as is necessary to complete the remainder of such obligation served in the U.S. Army Reserve and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year).

- In FY03, a total of four ROTC graduates were released early from their active-duty obligation. Of this number, three are completing the remainder of their obligation through service in the Army

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National Guard, and one officer through service in the U.S. Army Reserve.

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant and, of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with U.S. Army Reserve data also reported).
 - a. 96 USAR officers from units were recommended for unit vacancy promotion; 59 were favorably considered.
 - b. 1,797 ARNG officers from units were recommended for unit vacancy promotion and promoted.
7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver.
 - In FY03, no waivers were granted by the Secretary of the Army.
8. The number and distribution by grade, shown for each state, of personnel in the initial entry training and the non-deployable personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the U.S. Army Reserve is also provided.)
 - a. In FY03, the number of ARNG non-deployable personnel was: 42,276. The National Guard Bureau (NGB) maintains the detailed information.

b. In FY03, the total number of personnel in the Initial Entry Training (IET) and non-deployable category for the Army Reserve who have not completed the minimum training required for deployment was 16,446 (15,489 enlisted and 957 officers). This number includes 957 officers who had not completed the Officer Basic Course; 11,600 enlisted personnel who had not completed Advance Individual Training (AIT); and 3,889 enlisted who had a reservation and were scheduled to ship (grade was not a category in ship database). The Army Reserve makes a substantial investment in training, time, equipment and related expenses when people enter military service. Separation before completion of an obligated period of service is wasteful because it results in loss of this investment and generates a requirement for increased accessions. Consequently, attrition is an issue of significant concern at all levels of responsibility within the Army Reserve. The Army Reserve identifies Soldiers exhibiting the propensity for early separation and provides counseling, retraining and rehabilitation in an attempt to retain a qualified and trained force. Non Prior Service (NPS) enlistees in Army Reserve units normally are ordered to Initial Active Duty Training (IADT) within 270 days of enlistment. Non Prior Service direct enlistees in the Individual Ready Reserve (IRR) must enter IADT within 180 days of their enlistment date. Non Prior Service enlistees may be authorized an additional period of delay to reporting for duty as provided in AR 601-25, paragraph 3-4. In accordance with DA Pam 611-21, Army Reserve unit commanders determine alternate MOSs for qualified enlisted Soldiers incapable of completing initial training. An enlisted soldier who cannot satisfactorily complete the MOS

training for which he was selected will be required to accept training to qualify for an alternate MOS as determined by the Army Reserve unit commander (DA Pam 611-21).

(The tracking of new Soldiers who have not completed training is done by the use of the training-pay category codes. All Soldiers who are awaiting shipment to their Initial Active Duty for Training (IADT) are listed as Pay Category P. Those Soldiers who have completed IADT, returned and are waiting to attend Advanced Individual Training are coded as Pay Category Q. Those Soldiers attending training are carried in Pay Category F while at school. Those Soldiers who are not deployable for reasons other than lack of IET are listed on the personnel databases with a code indicating the reasons for their non-deployable status.)

9. The number of members of the Army National Guard, shown for each state, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (A narrative summarizing procedures followed for discharging members of the USAR who have not completed the minimum training required for deployment within 24 months of entering the USAR also is provided.)

a. The number of ARNG Soldiers discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the ARNG is 32 Officers and 9,444 enlisted, which includes all 54 states and territories. The breakdown by each state is maintained by NGB.

b. Those soldiers who have not completed the required Initial Entry Training (IET) within the first 24 months are discharged from the Army Reserve under AR 135-

178, Separation of Enlisted Personnel. Before discharge, every means available is used to ensure the Soldier has had the opportunity to be trained. In some cases, the Soldier was unable to attend the required scheduled training through no fault of his own, and therefore would be given another opportunity to complete his training (e.g., temporary medical condition, death of an immediate family member, failure to complete high school and requiring an additional semester of summer school). In FY04, the Army Reserve will begin implementation of a Delayed Entry Program (DEP). The purpose of the DEP is to allow the U.S. Army Recruiting Command (USAREC) to have complete ownership of new enlistees until they report to the Military Entrance Processing Station (MEPS) for their Initial Active Duty for Training (IADT). This has changed USAREC's mission from solely a contract mission to a contract and ship mission. DEP enlistees do not become members of Troop Program Units, nor are they counted within Army Reserve end strength, until they report to the MEPS to ship for their IADT. If the DEP enlistee is discharged at any time within the DEP, the recruiter is required to recruit a new enlistee to replace the one discharged.

10. The number of waivers, shown for each state, that were granted by the Secretary during the previous fiscal year under section 1115(c)(2) of ANGCRRRA of the requirement in section 1115(c)(1) of ANGCRRRA described in paragraph (9), together with the reason for each waiver.

- In FY03, no waivers were granted by the Secretary of the Army.

11. The number of Army National Guard members, shown for each state, (and the number of U.S. Army Reserve members), who were screened during the preceding fiscal year

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to determine whether they meet minimum physical profile standards required for deployment and, of those members: (A) the number and percentage who did not meet minimum physical profile standards required for deployment; and (B) the number and percentage who were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).

a. Screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment:

- In FY03, approximately 78,791 ARNG Soldiers underwent a physical. Of these personnel, 3,076, or 3.9 percent, did not meet the minimum physical profile standards required for deployment.
- In FY03, approximately 33,145 USAR Soldiers underwent a retention physical. Of these, 7,405 were identified for review due to a profile-limiting condition or failure to meet retention standards.

b. The number and percentage that were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).

- In FY03, 823 members of the ARNG were transferred from a deployable to a non-deployable status.

12. The number of members, and the percentage of the total membership, of the Army National Guard, shown for each state, who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.

- Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), Feb 10, 1996, repealed Section 1117 of ANGCRRRA.

13. The number of members, and the percentage of the total membership, of the Army National Guard, shown for each state, who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.

- Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), Feb 10, 1996, repealed Section 1117 of ANGCRRRA.

14. The number of members, and the percentage of the total membership, of the Army National Guard, shown for each state, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRRA.

- Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), Feb 10, 1996, repealed Section 1117 of ANGCRRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization and, of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRRA.

- Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), Feb 10, 1996, repealed Section 1118 of ANGCRRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and U.S. Army Reserve FSP unit), and a description, displayed in broad categories and by state, of what training would need to be accomplished for Army National Guard combat units (and U.S. Army Reserve FSP units) in a post-mobilization period for purposes of section 1119 of ANGCRRRA.

- a. Estimated time for post-mobilization training is reported through the Unit Status Report, is classified, and is maintained by the Department of the Army, G-3, Force Readiness Division.

- b. Information on the type of training required by units during post-mobilization is maintained by the Continental United States Armies (CONUSAs).
 - c. Post-mobilization training for enhanced Separate Brigades (eSB) can be categorized as maneuver, attack, defend, command and control, gunnery, NBC defense and sustainment.
 - d. Post-mobilization training for FSP units is principally common-task testing, NBC defense, force protection, sustainment, command and control, weapons qualification and tactical communications training. Virtually all units also require branch-specific technical training to meet deployment standards. Five additional days are required to conduct convoy lane training (includes live-fire and immediate-action drill training).
17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the U.S. Army Reserve).
- The Army National Guard (ARNG) made significant progress in the use of Training Aids, Devices, Simulators and Simulations (TADSS) during the preceding fiscal year. ARNG teamed with the Training and Doctrine Command's Systems Manager Combined Arms Tactical Trainer in developing a Maneuver Gated Training Strategy that incorporates the use of maneuver simulators into training plans, increasing unit proficiency.
- Currently, ARNG is fielding the Abrams Full-Crew Interactive Simulator Trainer (A-FIST XXI) to M1A1 Abrams units. The A-FIST XXI program is co-managed by the National Guard Bureau and the product

manager (PM), Ground Combat Tactical Trainers within the Program Executive Office-Simulations, Training and Instrumentation (PEO-STRI). The system was approved by the Commanding General, United States Armor Center in March 2003 as a precision-gunnery trainer for the ARNG. A-FIST XXI allows Soldiers to train on their assigned combat vehicles at home station, virtually replicating the demanding doctrinal Tank Table Standards of a live range. The Advanced Bradley Full-Crew Interactive Simulation Trainer (AB-FIST) will complement the Abrams trainers. Following a rigorous Limited User Test by the Infantry School and the Army Research Institute, AB-FIST was approved in October 2003 by the Commanding General, United States Infantry School as a mobile training device that can be used for Bradley crew training, in addition to the Unit Conduct of Fire Trainer, to meet established live-fire prerequisites as outlined in DA PAM 350-38. In addition, ARNG is rehosting legacy Simulations Network (SIMNET) assets. The SIMNET Upgrades Program will augment SIMNET M1A1 and M2A2 modules with a new, PC-based visual system and host computer, a sound system, and input/output linkages. These modules will be collocated in tank and mechanized infantry platoon sets with upgraded after action review stations.

Janus Battle Staff Trainers are being updated to the Army's approved software solution. Hardware procurement that will support One Semi-Automated Forces (OneSAF) Future Combat System (FCS) fielding in a seamless manner is being planned and executed. The Engagement Skills Trainer (EST 2000) is the Army's approved collective marksmanship training device in FY04. It primarily is used to train and evaluate individual marksmanship for initial-entry Soldiers at the Army training centers. EST 2000 also is used to provide unit collective-gun-

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nery and tactical training for dismounted infantry, special operations forces, scouts, engineers, military police squads, and combat support and combat service support elements. These systems also support units conducting the vital homeland-defense and airport-security missions assigned to the ARNG.

In addition to the EST 2000 collective marksmanship trainer, the ARNG developed and fielded the Laser Marksmanship Training System (LMTS) with the Beamhit Corporation. ARNG began fielding the LMTS in 2000. We currently have more than 700 systems fielded, down to the company level. LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition. Optimally, it is used to reduce the number of live rounds used during initial, remedial and sustainment training. LMTS is utilized for developing and sustaining marksmanship skills, diagnosing and correcting marksmanship problems, and assessing basic and advanced skills. In August 2003, the Vice Chief of Staff of the Army approved LMTS as an Army training device to be used by units as a component of their basic, rifle-marksmanship training program.

ARNG also has formed a unique partnership with PEO-STRI in the development, verification, validation and accreditation of systems and system upgrades. Through the ARNG Distributed Battle Simulation Program, civilian infrastructure commanders receive assistance from "graybeard" mentors, TADSS facilitators, and Janus Technical Team Exercise Support in the planning, preparation and execution of simulations-based training that augments the support provided by Training Support XXI Soldiers and greatly enhances unit proficiency and readiness.

The U.S. Army Reserve continues to focus on integrating simulations, simulators and

TADSS into training plans. Army Reserve units participate in Corps Warfighter and Battle Command Staff Training exercises to enhance training readiness. The Reserve remains an active member of the Army's simulation community by contributing to the Live, Virtual, Constructive (LVC) Training Environment Periodic Review and the LVC Integration Concept Team. The Army Reserve continues to press PEO-STRI and the National Simulation Center regarding the development of combat support and combat service support functionality within the Army Constructive Training Federation to ensure training capabilities for the entire spectrum. The Army Reserve has also identified the need for greater digital equipment fielding for the reserve components. Current and Future forces need digital capability to train effectively in the contemporary operating environment (COE) and the Joint National Training Capability (JNTC) environment of Army capabilities. The Army Reserve continues to improve training capabilities with the Laser Marksmanship Training System (LMTS) to enhance Army Reserve Soldiers' ability to achieve and maintain marksmanship skills; the Reserve has directly supported the Infantry, Military Police and Transportation schools in the development of devices and simulator-based training, ranging from basic combat to advanced tactical marksmanship involving firing from moving vehicles. The Army Reserve has begun fielding the LMTS as well as the Engagement Skills Trainer 2000. The Army Reserve continues to investigate alternative training mechanisms to simulate urban terrain and potential terrorist activities, including the Virtual Emergency Response Training System (VERTS), which replicates the Fort Dix installation, an Army power projection platform. The Army Reserve continues to develop the Simulations Operations functional area assessment to



ensure that capabilities exist to support the DOD Training Transformation goal of integrated live, virtual and constructive training in a joint environment.

18. Summary tables of unit readiness, shown for each state, (and for the U.S. Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

- a. Explanations of the information. Readiness tables are classified. This information is maintained by the Department of the Army, G-3.
- b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the Army National Guard (and U.S. Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with such section 1121:
 - Summary tables and overall assessments are classified. Department of the Army, G-3, maintains this information.

19. Summary tables, shown for each state (and the U.S. Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of section 105 of title 32, together with explanations of the information shown in the tables, and including display of:

- a. The number of such inspections;
- b. Identification of the entity conducting each inspection;
- c. The number of units inspected; and
- d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the

unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions. (For purposes of this report, data for Operational Readiness Evaluations will be provided on eSB and FSP units of the ARNG and for FSP units of the USAR. Training Assessment Model data will be provided to meet this reporting requirement for all other units of the ARNG and USAR. Data on ARNG units will be reported by State and on USAR units by RRC/DRU.)

- During FY03, ARNG state inspectors general conducted approximately 586 extensive inspections throughout the United States, visiting 970 separate units. Because IG inspections focus on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of inspections conducted by inspectors general may be requested for release through The Inspector General of the Army. Operational Readiness Evaluation Data for FSP and eSBs is unavailable because these inspections were eliminated as requirements in 1997. Data available under the Training Assessment Model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data is maintained at the state level and is available upon request from state training readiness officials.
- In accordance with AR 1-201, the United States Army Reserve Command (USARC) conducts inspections of RRCs/DSUs within the USARC Organizational Inspection Program (OIP). USARC maintains the results of all OIPs. The OIP focuses on findings and recommendations and the units do not receive pass/fail ratings. During FY03,

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six OIPs were scheduled, but only two were actually conducted. The four units not inspected were not available due to mobilizations. U.S. Army Forces Command (FORSCOM) maintains the results of the CONUSA inspections and Training Assessment Models (TAMs), and holds the data for reserve component FSP unit inspections.

- Summary tables depicting CONUSA inspection numbers by state for the ARNG and by Regional Readiness Command for USAR units are available from DCSOPS, FORSCOM.

20. A listing, for each Army National Guard combat unit (and U.S. Army Reserve FSP units) of the active-duty combat units (and other units) associated with that Army National Guard (and U.S. Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such Army National Guard unit (and for the U.S. Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.

The listing is contained in FORSCOM Regulation 350-4.

- a. Detailed assessments of specific RC units are maintained at the two numbered Armies in the continental United States (CONUSA) and three CONUS-based corps.

For Army National Guard divisions and eSBs:

- Manpower. Several eSBs have shortages in enlisted personnel and junior officers. Duty Military Occupational Specialty Qualification (DMOSQ) is a training challenge because military occupational specialties (MOS) require extensive training, during a limited training window, in different schools that are often taught simultaneously. Within the eSBs, Full Time Support (FTS) continues to be a challenge, currently filled at approximately 55 percent of requirement. In ARNG divisions, recent force-structure authorization increases have caused near-term shortfalls in fill percentages.
- Equipment. Lack of modernized equipment continues to hamper the eSBs. Shortages in chemical defense equipment and night vision devices limit the full range of capabilities for training of the eSBs. The eSBs continue to receive the bulk of any new equipment fielded to the ARNG.
- Training. Adequate training resources in FY03 enabled eSBs to sustain platoon, pre-mobilization training proficiency. Distances to crew-served weapons ranges and the availability of adequate maneuver areas continue to challenge most units. Current simulations do not provide a theater-level simulation system, compatible with current simulation suites that replicate a major-theater-of-war scenario.

For ARNG (and Army Reserve) Force Support Package (FSP) Units:

- Manpower. Shortfalls in FTS manning limit operations and training management. DMOSQ is impacted by limited school spaces for low-density MOSs. Some MOSs require extensive training (11B, 19K, 13B, 13F, 31 and 63H) and sequential schools demand a Soldier's

absence from his civilian employment for extended periods.

- **Equipment.** Reserve component units do not have the same level of modernization as their active component counterparts in all cases. This can limit interoperability of combat, combat support and combat service support forces and create command-and-control problems, especially during training. Several FSP units will require that shortfalls in force modernization equipment be addressed at the mobilization station. The following are examples of current and projected modernization efforts in the RC: SINCGARS radios, HMMWVs, generators, FMTVs, Javelin and night vision devices.
- **Training.** Some Equipment Readiness Code-A (ERC-A) equipment shortages inhibit effective training. Additionally, significant shortages of ERC-B and ERC-C equipment hamper collective training. Army Reserve and National Guard units often have significantly older equipment on which to train. Units will require additional training time after mobilization to achieve proficiency on collective tasks, especially if modernized equipment is provided after mobilization. Limited funds and/or limited days available for training generally preclude some Soldiers from attending either Annual Training or DMOSQ schools. Distance to training areas and facilities further erodes available training time.

- b. The results of the validations by the commander are maintained by the Department of the Army, G-3.

For ARNG divisions, eSBs and ARNG (and Army Reserve) FSP Units:

- Modernized equipment is the foremost compatibility issue. As Modified Tables of Organization and Equipment in units are updated and unit reorganization continues, the compatibility issue will improve. Additionally, the truck fleet remains a major disparity, because the Army Reserve has been substituting 1980's vintage 5 Ton trucks for 1960 series 2-1/2 Ton Cargo trucks, which the AC has already replaced with the Light and Medium Family of Tactical Vehicles (LMTV and FMTV).
- Lack of force modernization equipment in the Army Reserve and National Guard affects compatibility the most. Nonstandard software systems in these units impact both the Standard Installation Division Personnel System and the Unit Level Logistics System. System compatibility between components is often a challenge. Until reserve component units are modernized and supported at the same level as AC units, most FSP units will not be fully compatible with the active component until after mobilization. Decreased mobilization-to-deployment and/or employment timelines make it imperative that reserve component units be modernized and equipped at the same level as the active component. The National Guard/Reserve Equipment Appropriation (NGREA) funding allows the Army Reserve to procure modernization equipment that the Army does not provide. This will reduce the disparity in AC/RC compatibility, but is not sufficient to bring the components to full compatibility.

21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National

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Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (A) by State for the Army National Guard (and for the U.S. Army Reserve), (B) by rank of officers, warrant officers, and enlisted members assigned, and (C) by unit or other organizational entity of assignment.

As of 30 Sep 2003, the Army had 4,750 active component Soldiers assigned to Title XI positions. The Army goal is to fill 100 percent of the 5,000 personnel authorized for the AC/RC Program. Although constrained by ongoing support to the Global War on Terror, the active Army is maintaining AC/RC program strength and plans to achieve 100

Title XI FY(03) Authorizations

	OFF	ENL	WO	Total
PERSCOM	2	5	0	7
USAR	56	204	0	260
TRADOC	122	243	0	365
FORSCOM	82	49	9	140
GFR	1509	2471	152	4132
USARPAC	33	62	1	96
TOTAL	1804	3034	162	5000

percent fill by the end of FY04. U.S. Army Human Resources Command carefully tracks fill of Title XI positions in both the Officer Distribution Division and Enlisted Distribution Division.

GLOSSARY

AC	Active Component
ACS	Aerial Common Sensor
ACS	Army Community Service
A-FIST	Abrams Full Crew Interactive Simulator Trainer
AIT	Advanced Individual Training
ANGCRRRA	Army National Guard Combat Readiness Reform Act
AOR	Area of Responsibility
ARNG	Army National Guard
BCT	Brigade Combat Team
BCTP	Battle Command Training Program
C4	Command, Control, Communications and Computers
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance
CONUS	Continental United States
CONUSA	Continental United States Armies
DA	Department of the Army
DCGS-A	Distributed Common Ground System-Army
DEP	Delayed Entry Program
DoD	Department of Defense
DOTMLPF	Doctrine, Organizations, Training, Materiel, Leadership, Personnel and Facilities
DRU	Direct Reporting Unit
eArmyU	Army University Access Online
eSB	enhanced Separate Brigade
FCS	Future Combat System
FM	Field Manual
FORSCOM	Forces Command
FRRI	Federal Reserve Restructuring Initiative
FSP	Forward Support Package
GFR	Ground Forces Readiness
IADT	Initial Active Duty for Training
IMA	Installation Management Agency
IRR	Individual Ready Reserve
ISR	Intelligence, Surveillance and Reconnaissance
JFC	Joint Force Commander
JNTC	Joint National Training Capability

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The United States Army
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JRTC	Joint Readiness Training Center
LMTS	Laser Marksmanship Training System
LVS	Live, Virtual, Constructive
MACA	Military Assistance to Civil Authorities
MACOM	Major Command
MEADS	Medium Extended Air Defense System
MILES	Multiple Integrated Laser Engagement System
MOS	Military Occupational Specialty
NCOES	Noncommissioned Officer Education System
NDAA	National Defense Authorization Act
NETCOM	Network Enterprise Technology Command
NPS	Non Prior Service
NTC	National Training Center
OCONUS	Outside Continental United States
OPTEMPO	Operations Tempo
OSD	Office of the Secretary of Defense
PAC-3	Patriot Advanced Capability-3
PEO	Program Executive Office
PM	Project Manager
RC	Reserve Component
RRC	Regional Readiness Command
SBCT	Stryker Brigade Combat Team
SETS	Secondary Education Transition Study
SIMNET	Simulation Network
SOF	Special Operations Forces
SRS	Strategic Readiness System
S&T	Science & Technology
TADSS	Training Aids, Devices, Simulators and Simulations
TAM	Training Assessment Model
TRADOC	Training and Doctrine Command
TPU	Troop Program Unit
TSV	Theater Support Vessel
UA	Unit of Action
UAV	Unmanned Aerial Vehicle
USAR	United States Army Reserve
USARC	United States Army Reserve Command
VERTS	Virtual Emergency Response Training System
WMD	Weapons of Mass Destruction

The Soldier's Creed

I am an American Soldier.

I am a Warrior and a member of a team. I serve the people of the United States of America and live the Army Values.

I WILL ALWAYS PLACE THE MISSION FIRST.

I WILL NEVER ACCEPT DEFEAT.

I WILL NEVER QUIT.

I WILL NEVER LEAVE A FALLEN COMRADE.

I am disciplined, physically and mentally tough, trained and proficient in my Warrior tasks and drills. I always maintain my arms, my equipment and myself.

I am an expert and I am a professional.

I stand ready to deploy, engage and destroy the enemies of the United States of America in close combat.



**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

FEBRUARY 25, 2004



QUESTIONS SUBMITTED BY MR. HUNTER

The CHAIRMAN. As we understand it, there are \$429 million that have yet to be reprogrammed to the tank and automotive command, of which \$131 million is not yet identified. Is that a problem with that \$131 million that has not yet been identified out of the \$429 million?

Secretary BROWNLEE. The \$132M in question was provided to Army from the Iraqi Freedom Fund in early April 2004. At that time, all validated requirements for Add on Armor were fulfilled.

QUESTIONS SUBMITTED BY MR. SKELTON

Mr. SKELTON. So question number one, did the Army make a request of the Air Force for 2,200 airmen to perform Army duties? Question number two, did the Army request of the United States Navy approximately 4,000 sailors to perform Army duties? Then I have a third, if I may add this third question to be answered for the record. You have explained that with the money that you are going to save from the 121 Comanches, you intend to buy almost 800 new helicopters and 25 airplanes. That will require an additional 1,700 more pilots. Do you need an end-strength increase to man those new helicopters and those new pilots?

Secretary BROWNLEE. The Army did not make a request of the Air Force for 2,200 airmen or from the Navy for approximately 4,000 sailors to perform Army duties. The Office of the Chairman of the Joint Staff would have made any request for Air Force or Navy personnel. The new force structure for the Aviation force are still being finalized but there will only be a need for a fraction of the 1,700 new pilots cited by Mr. Skelton to man the 800 new aircraft being purchased by the Army. Many of these new aircraft are replacing combat losses incurred over the last few years and for aging UH-1s (Hueys) for which the Army was lacking a replacement solution under the previous transformation plan. These replacement aircraft require no additional pilots since they already exist in the force. There are plans to purchase new UH-60s (Black Hawks) and CH-47s (Chinooks) to field the new force structure designs. The plan to purchase new fixed wing aircraft is to replace current fixed wing in the fleet.

The Army reserve will have an increase of its AH-64 (Apache) pilot population of 12 additional pilots to accommodate the growth from two 21-ship AH-64 battalions to two 24-ship battalions.

The National Guard is expected to have some pilot growth as a result of force structure changes from the new plan. However, this growth is expected to be very modest—likely less than 200. Again, the purchasing of additional UH-60s, CH-47s, and the plan to purchase 300+ light utility helicopters are more designed to replace UH-1s, UH-60s, and OH-58A RAID aircraft currently in active and reserve component organizations in order to free up combat aircraft for the fighting force.

Finally, the move to the new Aviation force structures from the January 2002 Aviation Transformation designs will also help to mitigate the need for new pilot structure because of the differences in crew manning in the new designs. When the January 2002 designs were implemented, the Army recognized it was short on helicopters in its attack and lift formations. Therefore, we mitigated risk in not having enough airplanes by manning many attack and lift formations with 1.5 crews per aircraft (i.e. three pilots per AH-64) including the National Guard. The new force structure mans these units to 1.0 crews (i.e. two pilots per AH-64) but with more airplanes. The additional .5 crews from the old structure will help resource the manning requirements for any growth in the number of aircraft, which actually results in personnel savings.

QUESTIONS SUBMITTED BY MRS. WILSON OF NEW MEXICO

Mrs. WILSON. I think we always add rules to the books and we never go back and look at the ones we need to modify or change, and we expect you to live by them. I notice also in your posture—and Mr. Chairman, this will be my last question, par-

ticularly as we are going to get some answers for the record later on—you mention the importance of retaining the right volunteers in volunteer force. Are there additional tools that you need to make sure you can retain the right volunteers as you go through this four year period of change? Are there additional tools that you need from us to authorize?

General SCHOOMAKER. Ma'am, as we discussed in your office, the current thresholds below which the Department of Defense may reprogram funds without requiring the prior approval of congressional defense committees are \$4 million for Research, Development, Test and Evaluations and \$10 million for Procurement. These limitations were temporarily raised for fiscal years 2003 and 2004 to \$20 million for Procurement and \$10 million for Research, Development, Test and Evaluations. A permanent change to these thresholds would be helpful in giving us the flexibility we need to respond to rapidly changing requirements. Our procurement experts can best talk to the levels to which we would like to see these thresholds raised.

QUESTIONS SUBMITTED BY MR. SPRATT

Mr. SPRATT. Secretary Brownlee, your FY05 budget request includes \$39.4 billion for military personnel, a significant decrease from the \$50.2 billion appropriated last year combining DOD appropriations with the supplemental. However, your budget also claims that the Army will maintain its current force strength at 482,400 (even though Secretary Rumsfeld has indicated the actual figure may be 30,000 troops higher), and will grant a 3.5% pay raise to all active military personnel.

A. How can you keep maintain or increase the number of troops, decrease personnel spending, and still claim a pay raise of 3.5%?

B. On those same lines, what is the baseline for the 3.5% increase? Is it based on the FY04 budget estimate or actual FY04 spending?

C. Are we to assume that future personnel spending will come in the form of a supplemental? And if that supplemental will give a 3.5% pay raise over the FY04 level (which is already a known figure), why is this spending increase not reflected in your budget?

Secretary BROWNLEE. The Army's fiscal year 2005 President's Budget was formulated to provide the funding needed to achieve an active component end-strength of 482,400 Soldiers. This end-strength was authorized in the 2004 National Defense Authorization Act. The military salary calculations for the budget include a 3.5 percent pay raise, which by law equates to the U.S. Department of Labor Employment Cost Index plus 0.5 percent. The budget does not contain the additional Soldiers that are needed to conduct the Global War on Terrorism. At the time the budget was submitted, the decision to temporarily increase the Army's strength had not been finalized. Supplemental funding will be required to staff the active Army end-strength above 482,400.

Mr. SPRATT. Secretary Brownlee, I noticed that your budget cuts funding for "basic research," "applied research," "advanced technology development," and "advanced component development and prototypes." Funding from these accounts will presumably be used to develop the technologies and equipment that the Army will utilize in its transformation efforts. How will these decreases affect your overall efforts to "transform" the Army?

Secretary BROWNLEE. Army Science and Technology (S&T) (Budget Activities 1-3) is key to the Army's Transformation activities. The appearance of a decline in S&T when comparing the fiscal year (FY) 2005 column of the FY05 President's Budget to the FY04 column of the FY05 President's Budget is a result of the FY04 net Appropriation increases to each of the S&T budget activities.

When the annual budget request is compared to the previous year's appropriation (including Congressional increases), Army S&T always appears to be on the decline. The Army cannot afford, within current Total Obligational Authority levels, to continue these Congressional adds in the subsequent budget requests. The only fair and valid comparison is to compare one year's request versus the previous year's request. The following table provides that comparison for the FY04 and FY05 Requests.

S&T (6.1+6.2+6.3)	FY04PB	FY04APPN	FY05PB
Basic Research	\$343M	\$382M	\$318M
Applied Research	\$641M	\$1040M	\$651M
Advanced Technology Development	\$806M	\$1205M	\$815M

There was a slight decline in basic research primarily due to the return to the Office of the Secretary of Defense of devolved program funding that Congress disapproved in the FY04 Joint Appropriation. Applied research and advanced technology development actually increased from FY04 to FY05.

Advanced component development and prototypes (Budget Activity 4) does decline from the FY04 President's Budget request for \$784.3 million to the FY05 request for \$737.4 million. This is primarily due to programs transitioning from Budget Activity (BA) 4 to BA 5, system development and demonstration; to programs transitioning from development mode into production mode; and to realignment of some programs and their associated funding to support other initiatives such as the Future Combat System and the Medium Extended Air Defense System (MEADS) (funded in other BAs).

Mr. SPRATT. General Schoomaker, we have already sunk \$8 billion dollars into the Comanche helicopter program, not including the hundreds of millions of dollars spent on termination liability payments to Sikorsky. Does the army still plan to pursue a reconnaissance helicopter that would serve a similar purpose to the Comanche? If so, how will this be different from the Comanche? And what steps will the Army take to ensure that we do not experience similar cost overruns and project failures that we experienced with the Comanche?

General SCHOOMAKER. The Army intends to procure an armed reconnaissance helicopter to meet our current operational requirements and also capable of transitioning to support the Future Force. However, because we have an urgent need for this helicopter now, we do not intend to pursue another lengthy development program with high-risk technologies. We intend to acquire an existing non-developmental helicopter that we can buy and field immediately. By acquiring commercial off-the-shelf (COTS) technologies that can be readily integrated into a COTS helicopter the Army believes this program will not experience cost and schedule overruns similar to the Comanche program.

Mr. SPRATT. General Schoomaker, one of the major issues of concern this past year was the inadequate number of bulletproof vests provided to our Soldiers in Iraq. What is the current status of the vest situation in Iraq? What is the timetable for all troops in the Iraq Theater to have this equipment?

General SCHOOMAKER. As of January 2004, there is enough Interceptor Body Armor (IBA) in Iraq for every deployed Soldier and Department of Defense civilian to have his or her own set.

Mr. SPRATT. How quickly will the Army be able to reconstitute the units returning from Iraq and prepare them to deploy again? Should most returning soldiers expect a second tour of duty?

General SCHOOMAKER. As units redeploy from the Iraqi theater of operations, the Army will continue to reset the force to meet future requirements. The goal is for all returning active duty units to achieve a sufficient level of combat readiness to deploy within six months of equipment arrival at home station. Reserve component units will likely take longer to achieve the desired readiness level, and the working assumption is that reserve units will take one year after their equipment returns to home station to reestablish pre-deployment readiness levels.

While meeting today's global commitments have generated an increase in the Army's operational tempo, our goal has been to preserve a one-to-one ratio between the time our units spend deployed and the time they spend at their home station. This means that if a unit is deployed for a 12 month duration, as is the case today for many of our units supporting the Global War on Terrorism, the Army will strive to ensure that they are afforded 12 months at home station before being redeployed.

When a unit redeployes from operational deployments, personnel will be stabilized for a minimum of 90 days. Exceptions to the 90-day period will be minimized and, where possible, be limited to Soldiers volunteering for schooling, reassignment, and/or the unit's expiration term of service and retiring population. At the conclusion of this initial stabilization period, the unit will go into a formalized reset period where they will be refitted and remanned.

Mr. SPRATT. Please give me your assessment of the ongoing OEF/OIF rotation, in relation to mobilization of the reserve component, hand-off of responsibility between units in theater and the demobilization of personnel back home. Any unanticipated force protection issues? What is the greatest challenge thus far?

General SCHOOMAKER. Current rotation in theater is a combination of Operation Iraqi Freedom (OIF) 1 (units extended) and OIF 2 (units recently deployed). The biggest challenge is maintaining visibility of unit strengths and capabilities. OIF 1-extended units, in a lot of cases, have been reduced in terms of manpower through injuries, death, emergency returns to the United States, etc. Maintaining accurate visibility of these units is difficult and does not allow us to respond with replacements. OIF 2 units are recently deployed and were validated at strength levels that

make them mission capable, but as time progresses and they begin to experience losses, visibility of their status will be difficult and, again, replacements may lag behind their needs.

The hand-off in theater is a planned action as part of the reception, staging, onward movement and integration (RSOI) process. Specifically, the integration portion of this process requires a relief in place (RIP) and transfer of authority (TOA) action that must be completed. The current theater model is to provide a minimum of 45 days upon arrival in country to complete the entire RSOI process. The RIP/TOA is a minimum of 15 days (two weeks) to ensure the mission coordination and hand-off is successful.

Demobilization of personnel back home is the final task in the demobilization of the mobilization/deployment/redeployment/demobilization process. The planning timeline is for units to redeploy from theater with sufficient time to conduct demobilization/release from active duty actions (normally 7-10 days) and have sufficient time remaining on their mobilization order to execute the Soldiers' accrued leave (30 days for a one-year mobilization, additional 2.5 days for any additional month).

We do recognize that force protection is required throughout the process, especially as Soldiers depart active installations (PPP/PSP) and return to their reserve centers. In order to address this, we adjust the Force Protection Condition (FPCON) as necessary, a process that includes initiating measures that enhance force protection. Some specific measures include restricting access to building/personnel/equipment. More active measures are employed as the FPCON increases based on any specific threats or conditions in the areas.

There are many challenges involved in the process. The greatest challenge is trying to explain to Soldiers and their families the need to extend units in country based on changing situations on the ground. We have an aggressive program to contact the family of each deployed Soldier in a unit that must be extended. Yet another is the remissioning/remobilization of units that may have not achieved sufficient "dwell time" following a previous mobilization, and now, contrary to expectations, may be required for rotational or new requirements. We are deeply concerned over retention of Soldiers who are now combat veterans, and any associated issues that may cause higher levels of attrition. Reconstitution of equipment is a related issue, since there is high competition for personnel required to reconstitute equipment and also maintain equipment and/or validate deploying units. Finally, but by no means last in our priorities, we are working hard to ensure that Soldiers being demobilized feel appreciated and are specifically thanked for their service.

Mr. SPRATT. Are the Coalition forces engaged in a similar rotation effort? Describe the coordination effort to ensure a seamless transition.

General SCHOOMAKER. Yes, the Coalition forces follow a similar rotation policy, although they normally rotate at six months. This differs by Coalition partner some will rotate at four months, some at eight months. The rotation process is broken down into four phases. These phases are the pre-deployment site survey, the Commander's reconnaissance, the advance party, and the main body. Once the incoming unit is alerted, the commander and his staff conduct the pre-deployment site survey, which consists of doing a study of the area of operations and working with the deployed unit to gather information required to successfully complete the mission. This is followed by the commander's reconnaissance, where the incoming commander and his staff travel to the area of operations to meet with the deployed unit they are to relieve. Once all planning has been completed, the advance party will deploy to coordinate for the arrival of the main body of the unit. This includes administrative as well as operational coordination. Once the new unit is entirely deployed, the transition between the units will begin. This follows a model that was successfully used in the Balkans. The incoming unit's members will begin their training by accompanying the existing units as observers. Once they have become familiar with their duties, they will begin performing their duties, while the existing unit observes them. When the incoming unit is certified, they will perform a relief in place and assume full responsibility for the mission, while the old unit prepares to redeploy. To ensure a seamless transition, only one brigade per division is replaced at a time.

Mr. SPRATT. The Army of One campaign has been very successful. Extremely high operational and personnel tempo rates since September 11 could lead to recruitment and retention challenges in the future. What is your plan to ensure we continue to attract the top caliber personnel for the active duty, National Guard and Army reserves.

General SCHOOMAKER. The current operational environment, coupled with an improving economy has presented challenges in meeting our annual recruiting and retention missions. However, at this time, the active and reserve components are projecting that they will meet both their recruiting and retention missions.

The active Army is currently achieving its enlisted accessions goals for fiscal year (FY) 2004 year to date with Soldier quality well above the Army goals. The Army Reserve Soldier quality remains well above Army goals. National Guard recruiting is currently at 93 percent for year to date goals with soldier quality marks above one Department of Defense goal. All components are closely monitoring their recruiting indicators and continue to reshape their programs to attract high quality men and women to serve as Soldiers.

The Army has achieved all retention goals for the past five years, largely as a result of the Army's use of its Selective Reenlistment Bonus (SRB) program. The Army remains guardedly optimistic that we will achieve all retention goals. Thus far, the active Army has achieved 100 percent of the year to date mission, while the Army reserve has achieved 93 percent of its year to date mission. The Army National Guard has reenlisted more than 135 percent of their year to date mission.

No doubt the Army will face additional recruiting and retention challenges in the near future. We are carefully monitoring the situation and will increase programs and incentives as required. In order to continue to meet recruiting and retention missions it is important that the Army fund advertising, marketing, well being programs and incentives at the highest possible levels.

The Army is committed to recruiting and retaining quality soldiers in the Army. We appreciate your efforts to assist the Army in achieving this goal.

QUESTIONS SUBMITTED BY MR. BRADLEY

Mr. BRADLEY. What is the Army's plan to meet the urgent requirement for chemical detectors, and how does that plan impact the program of record?

Secretary BROWNLEE. Public Law 103-160 and 50 United States Code 1522 enacted in 1994, prevents the Army from programming for procurement chemical, biological, radiological, and nuclear (CBRN) defense items in its budget submissions. The Army has aggressively pursued this requirement with the appropriate offices within the Office of the Secretary of Defense (OSD) and the Office of the Chairman of the Joint Chiefs of Staff (OCJCS) who have the responsibility for joint CBRN requirements and procurement. We have identified and provided our total Service requirements for chemical detectors to these offices. The Joint Chemical Agent Detector (JCAD) program, which was planned for fielding in fiscal year 2004, and would have helped mitigate Army chemical detector shortfalls, has unavoidably slipped and OSD/OCJCS/Joint Program Executive Office chemical biological defense are devising appropriate mitigation strategies while the program is restructured. There are several ongoing initiatives being pursued while the program is restructured. There are several ongoing initiatives, for example, congressional plus-ups for Army National Guard CBRN defense and Secretary of Defense senior requirements oversight councils that have assisted the Army with obtaining more of its required chemical detectors.

Mr. BRADLEY. It is my understanding the preferred solution for the aircraft is an ATIRCMS with a multi-band laser (MBL). Last year, I supported a \$7 million budget enhancement for the continued development of MBL for ATIRCMS. I understand the funding will help ensure that this next generation of lasers is inserted in the second lot of ATIRCMS. So what is the status of that effort and the timeline for implement?

Secretary BROWNLEE. The Army is in the process of negotiating a task order with the Advanced Threat Infrared Countermeasure (ATIRCM) Lead Systems Integrator (BAE) to complete the design of the multi-band laser for ATIRCM. The estimated award date is not later than April 23, 2004.

QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. As I know you are aware, the Army's Rotary-wing Center of Technical Excellence in Corpus Christi is doing a great job supporting our fighting men and women. So far, it looks like the public-private ventures (ppv's) have helped with the supply issues and the turn-around time on jobs has been dropping. Product quality is up, and the relationship between leadership and labor is improving. CCAD is productive and is proving the importance of an in-house capability, especially in terms of surge capability.

Given the Army's decision to end further development of the Comanche and purchase more of the helicopters currently in use, what consideration is being given to the role of the Corpus Christi Army Depot (CCAD) in the Army's future plans and funding?

General SCHOOMAKER. The Army's depots are essential to sustaining ongoing operations as well as the sustainment and modernization of the Army's current fleet of aircraft. CCAD is the Army's organic source for the overhaul and repair of critical aviation assets. The Army plans to maintain this capability. The Army has continued to demonstrate its commitment to the industrial base by establishing over 60 partnerships between the Army's depots and private industry, many of which are at CCAD. Those partnerships result in greater private sector investment in facilities and equipment, better facility utilization, reduced cost of ownership, workforce integration, and more efficient business processes.

Mr. ORTIZ. CCAD is in dire need of better tools and equipment. We have not kept up with industry in this regard, and modern equipment would make our depots even more efficient and competitive. Has there been any discussion of retaining a portion of the profits within a depot to be used for refurbishing and purchasing equipment?

Secretary BROWNLEE and General SCHOOMAKER. The Army continually evaluates the need to modernize equipment for all of our maintenance depots. The Army's Capital Investment Program (CIP) Plan was submitted to the Armed Services Committees in July 2003. Many of these initiatives are funded through the Army's Working Capital Fund (AWCF) CIP. The fiscal year (FY) 2005 AWCF CIP budget request includes a significant increase for equipment productivity at CCAD, from \$7.5 million in FY04 to \$19.7 million in FY05. The increase includes \$10.0 million for aircraft corrosion control equipment and \$8.5 million for equipment used to inspect and treat critical flight parts. The Army will continue to evaluate proposed capital investments, approve and prioritize those proposals, and then plan for their implementation.

Mr. ORTIZ. What is your view of the current ppv's and their effectiveness? Do you see their role and structure changing in the future?

Secretary BROWNLEE and General SCHOOMAKER. Depot maintenance partnerships have been very successful for the Army. The Army has established over 60 partnerships between the Army's depots and private industry that have led to improved reliability in Army equipment. These partnerships result in greater private sector investment in facilities and equipment, better facility utilization, reduced cost of ownership, workforce integration, and more efficient business processes. These partnerships are a critical provider for the overhauled and upgraded equipment that our Soldiers will rely upon for many years to come.

Mr. ORTIZ. Since 1995, the Congress has followed the development of the Army Workload and Performance System (AWPS) as a key process to controlling infrastructure manpower and process change. Guidance has appeared in report and bill language. Within the last report (May 2002), the Committee was pleased to note that the Secretary approved AWPS for Army wide application and placed special emphasis on it within the Department. What is the status of AWPS expansion (including medical) and organization? Are there plans to integrate it in program and budget procedures? Given its origination in the Navy Department, are there efficiencies to be gained by joint collaboration and development? What will be the relationship of the National Security Personnel System and AWPS?

Secretary BROWNLEE and General SCHOOMAKER. With respect to the organizational matter, then Secretary of the Army White previously reported in the 2002 AWPS Master Plan submitted to Congress that the AWPS function had been moved to the Deputy Under Secretary's office for oversight. The Army is revisiting that decision in light of recent functional realignments at the headquarters. Initial change proposals include the transfer of the function, budget, and all staff to the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA M&RA), primarily as a support to the National Security Personnel System (NSPS) and other personnel activities. For programmatic stability and continuity, it will remain as currently structured under the oversight of the ASA M&RA and the Personnel Deputy of that secretariat level office. Also, since that last report, AWPS has been expanded to National Guard maintenance programs and departmental decision support modules and has been tested in medical functions in the National Capital Region. The medical application appears to be successful, and if so, may have Defense-wide implications. To that end, the Army is also working with the Navy on this project.

A number of AWPS process users have been able to provide quick reaction analyses of the impact of program and budget changes (or proposed changes) on the schedule, cost and productivity of their logistics functions. These users have taken advantage of the study capability incorporated in most AWPS models. The AWPS office is currently evaluating the initial results of a project to further extend the AWPS process into Army program and budget procedures. The key to that integration is to link the internal AWPS processes and metrics to their external drivers

via an executive decision support system. I expect continued development of that executive system in FY05.

Over its history, AWPS has cooperated closely with the Navy and it appears there is further opportunity for collaboration. As matters proceed, it is likely these two Services could have a standard tool for management infrastructure functions. The primary focus of AWPS development and implementation assistance has been the same Navy office responsible for developing a similar system for the Navy. That relationship extends to actively sharing the results of service applications. Numerous aspects of the AWPS application are derived directly from Navy systems. The Navy is involved in review and will soon accept applications developed in Army settings. We have begun discussions with the Navy that we expect will lead to a more formal memorandum of understanding and even higher levels of cooperation going forward. One of the key elements of the new NSPS is the establishment of pay for performance for civilian employees. The key to making pay for performance work well is to closely link performance elements and standards to an organization's objectives and operating procedures. AWPS establishes precise quantitative statements of performance objectives for organizations and work centers, and thus might be a well-suited source of performance objectives and standards for the employees in these organizations. The project teams charged with developing NSPS applications will look seriously to AWPS as a source of pay for performance metrics.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. General Schoomaker, I realize you have a large number of responsibilities. One of those is healthcare at Walter Reed. I have recently been informed by representatives of the Disabled American Veterans that their representatives at Walter Reed are not allowed to visit patients and inform them of the programs, the opportunities that our nation can provide for soon to be discharged veterans. I do not know this to be true, but I was just told this.

Just as Secretary Brownlee was so kind to tell the committee that he appreciates us coming to him and making suggestions, I would hope in that light, since we are now asking young 18-, 19-, 20-year-old soldiers who probably never dreamt that they would get hurt, and now find themselves leaving the Army under circumstances not to their liking, I don't think it could hurt to have one more group making them aware of the benefits that this Nation owes them. So I would ask that you would consider that policy.

Again it was just reported to me. I do not know it to be true, but I think it is a reasonable request on the part of that organization.

Secretary BROWNLEE. The Department of Defense takes very seriously the transition of Soldiers from the active duty healthcare system into the VA healthcare system. Since 1990, the Department of Defense has partnered with the VA and with the Department of Labor to transition Soldiers from military to civilian life. The Transition Assistance Program (TAP) was established specifically for this purpose along with the Disabled Transition Assistance Program (DTAP). These programs consist of a three-day seminar of transition assistance activities designed to help service members make the transition to civilian life as smooth as possible. The VA's participation in the TAP/DTAP program involves conducting briefings on benefits and services throughout the country. Personal interviews are also conducted to assist the service member in filing benefit claims. DTAP focuses on the service member being separated for more serious medical conditions, which may require more extensive rehabilitation. DTAP is a specialized program with an emphasis on more personal assistance. The Veterans Benefits Administration and the Veterans Health Administration have detailed full time benefits counselors and full time social workers at all of the major military medical centers to streamline the transition process. Additionally, many of our medical centers have coordinated with Veterans' Organizations to conduct outreach programs to wounded service members while they are still recuperating in the military treatment facilities. Due to patient privacy laws and security concerns, these organizations do not have carte blanche access to patient wards, but they can coordinate schedules of when they will be at certain treatment facilities and patients have access to them if they so choose.

Mr. TAYLOR. I understand that the TOA requested for the Army's reserve components in the FY05 President's Budget has been reduced by some \$600 million in anticipation of members of those component's being called to active duty in support of the global war on terrorism. What do you plan to do if this reduction should result in a funding shortfall that threatens to cancel FY05 reserve component training?

General SCHOOMAKER. Based on projected reserve component (RC) mobilizations in fiscal year (FY) 2005, \$606 million for drills and annual training was realigned from the RC pay accounts to support other priorities, including the extension of TRICARE to the RC. At the projected mobilization levels, the RC training budget provides the funds necessary to conduct military occupational specialty training (individual training at 85 percent), professional military education training (leader training), and the necessary operational tempo to support collective training for those units preparing for mobilization and deployment while in a reserve status, as well as enabling recently demobilized units to maintain their readiness edge. However, funding for inactive duty training for the Army's RCs may not fully support statutory training requirements at historic participation levels. As the mobilization picture for FY05 becomes clearer, the Army will ensure adequate funding is available and include any shortfall in the supplemental funding request if necessary.

QUESTIONS SUBMITTED BY MR. TURNER OF OHIO

Mr. TURNER As the Mayor of Dayton in 1995, I developed an interest in the U.S.'s involvement with Bosnia. American soldiers have been in Bosnia since December of 1995 and Secretary Rumsfeld recently announced that NATO peacekeepers may be pulling out of Bosnia by the end of the year. How many troops do we have in Bosnia today? Have we completed our work in Bosnia? Do you support replacing NATO forces with the European Union force? Should we still have some oversight in Bosnia after NATO forces leave?

General SCHOOMAKER. Our overall objective in Bosnia-Herzegovina is to accelerate Bosnia's Euro-Atlantic integration, to hasten the day when U.S. and NATO forces can depart.

Currently, the Army has approximately 870 soldiers participating in Stabilization Forces (SFOR) 15 mission. The Army will continue to support the NATO mission in Bosnia consistent with arrangements established by the Joint Staff and the Interagency Working Group.

In December 2002, the European Union (EU) expressed a willingness to take over the SFOR mission from NATO. The Army fully supports the efforts of the Joint Staff and Interagency Working Group in the development of options including the possibility of the EU taking over the SFOR mission. Should the EU take over the SFOR mission, it is likely that there will be a residual NATO presence in which the Army would be an active participant.

Mr. TURNER I have been working with the Ohio National Guard and Senator DeWine to pass legislation that will give our guard and reserves and their families health care by allowing them to participate in TRICARE like active duty service members and their families. My legislation, HR 2176, would (1) make reserve and guard members and their families eligible to participate in the TRICARE program; (2) offer a partial subsidy of private health insurance premiums for family members of activated reservists and guardsmen who wish to retain their private health insurance; and (3) improve the transition coverage upon deactivation. In a GAO study from last year, GAO found that more than 21 percent of reservists do not have health insurance and 40 percent of those individuals were in the junior enlisted ranks. If our citizen soldiers do not have access to adequate health care, couldn't that become a readiness issue?

General SCHOOMAKER. Yes, if Soldiers do not have access to adequate health care, it could become a readiness issue. Medical and dental readiness is paramount to providing ready combat forces. There have been a series of lessons learned from previous deployments that repeatedly cited the need to provide improved pre-mobilization medical and dental screening and the appropriate care to return Soldiers to deployable condition if found to be non-deployable during screening.

Congress has made great strides to pass legislation that not only increases access to the Citizen Soldier but also to their family members. Although the Office of the Surgeon General is not opposed to a partial subsidy of private health insurance premiums for family members who wish to retain their private health insurance, we are opposed to any legislative action that deters from Soldier readiness. In other words, if Congress is to pass legislation that pushes the Military Health System to take on the additional burden of providing care to family members of nonactivated Soldiers without providing additional funds to the Defense Health Program, Soldier readiness is at risk. All available funding should focus on providing additional medical benefits directly to the Citizen Soldier, thus increasing the readiness level of our fighting force.

Mr. TURNER I have contacted your office several times in the past regarding a subcontract between Parsons infrastructure & Technology Group Inc. in Newport,

IN and Perma-Fix of Dayton, OH—which is located in my district—for work on the Army chemical demilitarization program. On October 13, 2003, Parsons issued a stop work order to Perma-Fix's subcontract. On October 22, at a Government Reform Subcommittee on National Security, Emerging Threats and International Relations, Michael Parker, Director of the Army's Chemical Materials Agency, said the Army would support expediting a termination agreement before the end of 2003. To date, the termination agreement between the two companies and the Army still is not completed. In fact, you still have not responded to my letter of January 13, 2004, asking for your commitment to quickly reach a termination agreement. Why is it taking almost six months to terminate a contract?

General SCHOOMAKER. The Army considers the termination process of this contract to be a matter between two private companies; however, we have contacted Parsons in order to provide you with some insights into the current status. I am advised that the discussions between Parsons and Perma-Fix are on-going and, according to Parsons, are open, professional, and amicable. Parsons had to afford Perma-Fix a reasonable opportunity to prepare its termination settlement proposal, and Parsons received its proposal on January 9, 2004. Parsons and Perma-Fix have continued the dialogue process and have scheduled face-to-face discussions. Parsons estimates that if the communications continue to progress as they have to date, all issues should be completely negotiated between the two firms, and there should be a Settlement and Mutual Release Agreement within the next few months.

QUESTIONS SUBMITTED BY MR. REYES

Mr. REYES. I see cruise missiles as one of the greatest threats that we face, especially in theater. As you know, cruise missiles are cheaper than most other weapons and they are also very effective. Because of this, there is a great possibility of seeing increased proliferation of cruise missiles around the world. Where is the Department of the Army in addressing the threat posed by cruise missiles?

General SCHOOMAKER. An effective defense against cruise missiles will require a joint and combined response. The Army will contribute significant warfighter capabilities to counter the emerging and evolving land attack cruise missile threat in a system of systems framework that provides combatant commanders with an increased cruise missile defense (CMD) contingency capability by fiscal year 2008. Components of the Army's CMD acceleration initiative consist of the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System, Patriot Advanced Capabilities (PAC)—3, Medium Extended Air Defense System (MEADS), Sentinel Enhanced Track Reporting and Classification, Surface Launched Advanced Medium Range Air-to-Air Missile System, and Stinger missile-based platforms/launchers. The Army, with the concurrence of the Joint Staff, has programmed additional funding to these critical CMD programs in out-year budgets to support an accelerated CMD capability.

Mr. REYES. I understand that you've said that the Army's area of influence would extend out to 300 kilometers of battle space. Does that mean that the Army "owns" that space and that it will be the Service with the primary means and responsibility for attacking surface targets in this area? ATACMS is a system that has shown to be on-time, on-target, and viable in all weather. What role will ATACMS play in this battlespace scenario? What is the Army's perspective on the new Objective Unitary ATACMS?

General SCHOOMAKER. The battlespace belongs to the Joint force combatant commander. Army fires are part of the arsenal available to the Joint force combatant commander who is responsible for determining the priority and means of attacking targets within the battlespace. ATACMS is a precision weapon system that provides a responsive target attack capability within a joint fires network. Because of its responsiveness, ATACMS is a key component of Joint Fires in support of the Joint force combatant commander and the land component commander. The Army is pleased with the ATACMS Quick Reaction Unitary (QRU) performance in Operation Iraqi Freedom. The Army will continue to consider all of the requirements of the Joint force combatant commander as it makes decisions on funding development of additional capabilities beyond the ATACMS QRU.

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. As I understand it, the current training budget for the guard and reserve is considerably lower than the requirement to maintain readiness for those units that have not deployed and to restore readiness for those that are returning

from deployments. Is this correct? What are you doing to ensure that an adequate level of funding is provided?

Secretary BROWNLEE. [The information was unavailable at the time of printing.]

Dr. SNYDER. My understanding is that the estimate for 2004 is \$1.2 billion; for 2005, it is \$1.6 billion; for 2006, it is \$3.1 billion; for 2007, it is \$4.0 billion; for fiscal years 2008 through 2011, a total of \$10.2 billion; for a total of \$20.1 billion over that period of time. Does that sound like it is in the ballpark?

General SCHOOMAKER. Modularizing the Army in fiscal years (FY) 2004—FY07 is a critical component to Army Transformation, in addition to the Future Combat System. The cost to modularize 43 active component brigades (33 existing and 10 additional) in FY04 to FY07 is approximately \$10.0 billion, which includes equipping, training, installation, and operational costs. Modularity transformation will provide the nation an Army that is globally postured for rapid deployment of joint-enabled, expeditionary ground forces to conduct and sustain full-spectrum operations.

QUESTIONS SUBMITTED BY MS. SANCHEZ

Ms. SANCHEZ. I would like to first of all start off with the recent press reports raised about serious concerns to this committee about the problem of sexual assault against female soldiers serving in Iraq. I know that you have done some preliminary analysis of the rate of sexual assault crimes in OIF. Could you summarize your findings on that issue? Do you believe that there is an inordinate rate of sexual violence among our troops deployed in Iraq?

Secretary BROWNLEE. The Army is concerned about the well being of every Soldier, whether deployed in support of ongoing operations in Iraq or serving anywhere in defense of our nation. Sexual assault is a criminal act incompatible with the Army's core values, high standards of professionalism and personal discipline. The Army is taking aggressive actions to prevent sexual assault and improve processes ensuring perpetrators are held accountable and victims are provided sensitive care and support. In February, I established a Task Force to conduct a systems review of the policies on reporting and addressing allegations of sexual assault. This ongoing review includes a great deal of emphasis on identifying programs that could be implemented or modified to address this crime. The Army's Task Force report will be available by the end of May 2004.

When the rate of sexual assaults for calendar year 2003 in the U.S. Central Command area of responsibility is compared to the rest of the Army, the data reveals that there are fewer sexual assaults occurring among our troops deployed in Iraq.

Ms. SANCHEZ. Do you think a soldier is less likely to report a sexual assault than a civilian?

Secretary BROWNLEE. Surveys conducted, both in the military and civilian communities, show that victims may be reluctant to report sexual assault to law enforcement authorities for a variety of reasons, such as fear of the aggressor, concerns about the impact of reporting on her/his career, embarrassment, fear of reprisal, ostracism, and fear of punishment for related misconduct.

To ensure that our current policies and programs are effective, I have directed the establishment of a Task Force to conduct a detailed review of the effectiveness of our Army's policies on reporting and properly addressing allegations of sexual assault. This review will examine our policies, programs, procedures, and training with regard to the prevention of sexual assault. The Task Force will further review the processes in place to ensure a climate exists where victims feel free to report allegations and leaders at every level understand their responsibilities to support those victims. This Task Force will render its report by the end of May 2004.

Ms. SANCHEZ. The Unified Code of Military Justice provisions defining sexual assault have remained basically unchanged since the 1950's. I think you will agree that there have been a lot of extensive changes in American law since that time. In fact, in 2001 there was the Cox Commission recommendation that rape and forcible sodomy statutes in the UCMJ should be repealed and replaced by more comprehensive sexual abuse statutes that mirror what we have in Title XVIII. Do you believe it is time to adopt this recommendation and revise the UCMJ?

Secretary BROWNLEE. The Department of Defense Joint Services Committee (JSC) meets regularly and reviews the Uniform Code of Military Justice (UCMJ) under the supervision of the Department of Defense General Counsel. This review is part of the 1984 Executive Order requirement for an annual review of the Manual for Courts-Martial (MCM). The JSC, with the benefit of public review and comment, has recommended numerous improvements to the UCMJ and MCM that have been forwarded for action by the President or the Congress, as appropriate. When the pri-

vately sponsored Cox Report was made in 2001, the Military Services and OSD carefully reviewed its recommendations.

In July 2003, the Office of the General Counsel of the Department of Defense (DOD) asked that the JSC review the UCMJ and MCM regarding the sexual offenses as part of its 2004 annual review process to determine what changes, if any, should be made to the UCMJ with regard to charging sexual offenses. That review is ongoing. I can assure you that the Army, along with military justice experts from all the Services, has been active participants in such meetings, which are conducted pursuant to governing DOD directives. H.R. 4123, the Military Sexual Assault Crimes Revision Act of 2004 has been forwarded to the JSC to be considered as part of that review process.

The Army is reviewing the recently proposed H.R. 4123 and will work with the other Services and the Office of the Secretary of Defense in developing the Department's views on the legislation.

Ms. SANCHEZ. Can you outline for me what victim support services are available to soldiers who suffer sexual assaults in Iraq, in the zone?

Secretary BROWNLEE. The Army remains committed to taking care of every Soldier, to include dealing expeditiously with any Soldier complaint or allegation of misconduct and to ensuring that whether in garrison or deployed, the support services provided are the same. When a Soldier reports a possible criminal act, including a sexual assault, the Army is resolved to investigate the allegations thoroughly and promptly and to provide immediate care and support to the victim. The Army has law enforcement and legal personnel who are deployed to the battlefield to assure timely investigative support and assistance to commanders and victims. We also provide medical care and mental health care expertise to our Soldiers through our appropriately staffed Combat Support Hospitals in Iraq and Afghanistan.

The Army is dedicated to ensuring that the victims of sexual assault receive proper care and treatment and that their medical and psychological needs are properly met. To ensure that our current policies and programs are effective, I have directed the establishment of a Task Force to conduct a detailed review of the effectiveness of our Army's policies on reporting and properly addressing allegations of sexual assault. This review will examine our policies, programs, procedures, and training with regard to the prevention of sexual assault. The Task Force will further review the processes in place to ensure a climate exists where victims feel free to report allegations and leaders at every level understand their responsibilities to support those victims. This Task Force will render its report by the end of May 2004.

Ms. SANCHEZ. The UCMJ provisions defining sexual assault crimes have remained basically unchanged since 1950. I think you'll agree that there have been extensive changes in American law since that time. In 2001, the Cox Commission recommended that rape and forcible sodomy statutes in the UCMJ should be repealed and replaced by a comprehensive sexual abuse statute that mirrors title 18. Do you believe it is time to adopt this recommendation and revise the UCMJ?

Secretary BROWNLEE and General SCHOOMAKER. Our current statutory system is effective and has the benefit of 50 years of precedent to guide judges and practitioners. With that said, the modernization of the sexual misconduct provisions of the UCMJ along the lines of the Federal criminal code has promise, and the Army, as a member of the Joint Service Committee on Military Justice, is currently participating in a review of proposed revisions.

Ms. SANCHEZ. What education and awareness training does the Army mandate in order to encourage the reporting of sexual assault offenses? Can you outline victim support services available to soldiers who suffer sexual assault in Iraq? Do you believe that these services are adequate? What have you done to improve these services?

Secretary BROWNLEE and General SCHOOMAKER. [The information was unavailable at the time of printing.]

QUESTIONS SUBMITTED BY MR. LARSON

Mr. LARSON OF CONNECTICUT. With respect to the Reservists and National Guard, a young woman from East Hartford, Penny Palufka, stood up and talked about how she went online, put \$1,100 out of her own pocket to get the ceramic vests that were needed to protect her son. Mr. Murtha has assured me that he has contacted the Army and that they have indicated that all individuals—previously it was only the soldiers that could be reimbursed—but any individual, whether it be mother, father, spouse, loved one who purchases this kind of equipment will be reimbursed, given as much as we have allocated—\$300 million.

I know that there was no program, but I know in talking to Mr. Murtha when we came back, when I relayed this story to him personally, and he said that he contacted the Army and that they acknowledged the fact this was a concern and a problem, and that anyone who went into their pocket to protect their sons or daughters would be reimbursed. I said I have a bill that I would have gladly dropped last year, and they said that will not be necessary. I will drop the bill. When can we anticipate that coming down from the Army, and what do people like Mrs. Palufka have to do to get reimbursed?

Secretary BROWNLEE. This past summer and fall, the Department of Defense (DoD), with the help of the Congress, significantly raised the level of funding to rapidly procure enough IBA for all U.S. Soldiers and DoD civilians deployed in support of OIF and Operation Enduring Freedom. In January 2004, the Chief of Staff of the Army increased the IBA fielding requirement to include every Soldier within the operational force.

In terms of reimbursement as you have described, there is no existing authority or policy to pay such a claim. Although the Personnel Claims Act provides limited protection to service members for loss or damage to tangible personal property that occurs incident to service, it does not authorize reimbursement for items procured by or on behalf of soldiers. Your recently proposed legislation; however, would provide authority for certain such reimbursement.

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—SECRETARY OF THE AIR FORCE; AIR FORCE CHIEF OF STAFF

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, February 26, 2004.

The committee met, pursuant to call, at 9:03 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order. This morning, the committee will continue its review of the fiscal year 2005 defense budget request with a look at the Department of the Air Force. Our witnesses today are: The Honorable James T. Roche, Secretary of the Air Force; and General John P. Jumper, Chief of Staff of the Air Force. So welcome to the committee, gentlemen. We always look forward to your testimony and the discussion that will ensure in the following months.

The fiscal year 2005 budget request for the Air Force is \$98.5 billion. That is a \$7.1 billion increase over last year's peacetime budget.

Some believe that we can cut the President's request, that because there has not been a successful terrorist attack on U.S. soil since September 11, 2001, we can let down our guard.

But even a quick review of Air Force operations over the last year should remind us that the only reason we have been safe these last two years is because we are actively engaged in the world; because we are taking the fight to the enemy where he lives, rather than waiting for him to come to our shores.

Today, the Air Force continues patrolling the skies over America to protect us from a repeat of a September 11th-style attack. Just in the last year, the Air Force scrambled nearly 1,000 aircraft in response to 800 incidents as part of Operation Noble Eagle.

At the same time, the Air Force was actively engaged in Operation Enduring Freedom in Afghanistan, where it continues to provide logistics and close air support to coalition units pursuing the remnants of al Qaeda and the Taliban.

Last year, the Air Force continued Operations Northern Watch and Southern Watch over Iraq, enforcing United Nations Security Council resolutions dating back to the early 1990's. These forces quickly transitioned into Operation Iraqi Freedom last spring, where they flew over 7,000 close air support missions in a war that

toppled a dictator who had the habit of attacking his neighbors, using chemical weapons and defying the civilized world.

Since March of last year, the Air Force has flown over 79,000 sorties in support of coalition forces in Iraq and is an active participant in our efforts to bring democracy to the cradle of civilization.

The Air Force is still engaged in the war on drugs and is operating radar stations, tethered aerostats and flying counter drug surveillance missions. Simultaneously, the Air Force continues operations in the Balkans, with over 800 airmen supporting NATO forces seeking to build a stable peace in Kosovo and Bosnia.

At the same time, the Air Force continues its deterrence mission. That is a critical capability, as we were reminded last year when we had to deploy strategic assets to Guam in order to deter any attempt by North Korea to exploit Operation Iraqi Freedom for Pyongyang's benefit.

Also, last year the Air Force supported humanitarian missions in Liberia, Sierra Leone and Senegal. The Air Force did all this while modernizing its capabilities and developing new technology to ensure our superiority against the threats we will face tomorrow.

When critics argue that the Air Force budget is too big and should be cut, I have to ask them: Which of those operations should we forego? Should we halt our efforts to win the war on terror? Should we refuse future requests for humanitarian assistance or evacuations?

Should we hand Iraq back over to a bunch of murderers and thugs? Should we cut back on modernization and send our soldiers into battle with less than the best we can provide? Obviously not.

In fact, I believe that our position in the world will call for greater resources in the future. Today, even with this increased request, we are spending less on defense as a percentage of the gross domestic product than we were under President Carter. And I am reminded that we spent about nine percent of gross national product (GNP) on defense under President Kennedy, about six percent of GNP on defense under President Reagan. And today, it is about 3.6 percent.

With that in mind, we need to fully fund the President's request so that our military services remain ready to defend the country today and can prepare to face the adversaries of tomorrow. We have to obviously meet that balance, the balance of undertaking this, managing this ongoing conflict and, of course, continuing to modernize at the best pace possible.

It is a tough balance, gentlemen. We realize that.

So we look forward to hearing how your budget request does just that. But before we turn the floor over to the secretary, let me turn to my partner and the distinguished Ranking Member on the committee, the gentleman from Missouri, Mr. Skelton, for any remarks he might want to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 509.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you and good morning.

Secretary, general, thank you. We appreciate you being with us. At the outset, let me say how proud we are—all of us—of the service of our airmen and what they provide. I had an opportunity recently to fly with them extensively on a trip with Nancy Pelosi and Robin Hayes of our committee. And I think that there should be some sort of a medal for people who fly 20 hours or more on C-130's.

I am pleased to see a continued rise in the Air Force budget. The Air Force provides very crucial capabilities that our joint forces require.

Nevertheless, let me say I am concerned about the budget not providing funds to pay for the ongoing efforts in Afghanistan and Iraq. It particularly worries me when I am being told we will not need a supplemental until January.

And I hope you will address that, as to whether we run out of money between now and then. It is important to us to be able to conduct the missions the Nation asks for without sacrificing readiness.

Furthermore, you are currently carrying over 16,000 airmen in excess of your authorized end strength. Now, under the circumstances, it is appropriate. You do have a demanding workload. And you are not alone. All of the services are under a strain.

But it seems to me it is time to acknowledge this is not just a spike. This demand is not going to go away. For years, it is not going to go away. And I believe we should formalize it by increasing the end strength permanently.

And finally, you know the regard I have for the Air Force hardware. I only wish that there was more of it at Whiteman Air Force Base in the heart of America. But I do have three broad questions on the hardware.

First, I hope you will address the issue of fighters. I recently had the opportunity to see the F-22 being built. And I was highly impressed with that.

Now you have, it appears, two highly successful sophisticated new platforms—the F-22 and the F-35. I am sure someone on this committee will ask you the question: If you had to choose between the two, which would you choose? But does the F-35 need such expensive stealth, because the F-22 is supposed to suppress defenses?

And second, I hope to hear more about where the Air Force stands on the tradeoff between expensive airplanes with cheap munitions and less expensive planes using long-range, standoff munitions.

Third, with regard to bombers, both the chairman and I are concerned the bomber is getting the short end of the stick. You have major programs for fighters, for tankers, for reconnaissance, but no bombers.

And I hope you will not consider my being parochial with the fact of Whiteman Air Force Base in our district, but I hope you will address that.

And let me welcome both of you and thank you for your truly outstanding service, not just to the Air Force, but to our Nation. So welcome.

The CHAIRMAN. I thank the gentleman. And Mr. Secretary, without objection, your entire written statement, as well as General Jumper's, will be included in the record. And thanks for being with us. The floor is yours.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 515.]

STATEMENT OF HON. JAMES G. ROCHE, SECRETARY OF THE AIR FORCE

Secretary ROCHE. Thank you very much, Mr. Chairman, Congressman Skelton and members of the committee. It is our great pleasure to appear before this distinguished committee and to represent the 700,000 active, guard, reserve and civilian airmen who are engaged in defending our Nation.

General John Jumper and I are extremely proud of their achievements—as are you—and their service this past year, from combat operations and homeland defense to their daily efforts that guarantee the health, security and morale of our force. They have contributed significantly to our Nation's global fight against terrorism and to our military achievements in Iraq and Afghanistan.

They are devoted American servants. And I have the utmost respect and confidence.

Mr. Chairman and Congressman Skelton, I remain terribly proud of the opportunity to have the chance to serve with someone as wonderful as General John Jumper. He has truly been an outstanding partner and become a good friend.

Our highest priority continues to be a focus on warfighting and delivering the capability that enables us to remain decisive in combat. The combatant commanders rely on us to provide a full spectrum of air and space capabilities, all while protecting our homeland.

Through the efforts of this committee, your colleagues in the Congress and the dedicated professionals at the department, we are proud to report that we are meeting these objectives.

As we highlighted in the larger written testimony, we continue to adapt the Air Force to realize the President's and Secretary Rumsfeld's vision of transformation. Our strategy is to exploit the sources of strength that give us the military advantages we enjoy today.

Our goal is to build a portfolio of advantages—one that uses operational concepts to guide investment, is relevant to the joint character of warfare and is useful in the increasingly asymmetric conduct of warfare. To date, we have made great progress in applying this approach. In terms of strategy, we have refocused Air Force strategic thinking on core competencies. We have redefined our Air Expeditionary Forces, focused our training on homeland defense, close air support and close partnering with land, maritime and special operations forces.

We are putting our space programs on track. We have increased the unity of effort among the Air Force, National Reconnaissance Office and intelligence community. And we have enhanced space support to the warfighter, bringing a joint perspective to our role as the Department of Defense's (DOD) executive agent for space.

We have made significant investment in people. We have a new force development program that involves officer, enlisted and civilians.

We have expanded our pool of deployable airmen to 75 percent of our active force. And this, Mr. Chairman, is up from about 40 percent just 2.5 years ago. And we have refocused on the fitness of our force to operate in an expeditionary setting.

We want to note that we believe that we have the right number of people in uniform to perform our mission, but that some are currently working in the wrong specialties. And we have major efforts underway to fill in distressed fields and to not have as many people in those fields where we believe we are in surplus.

Until we complete our efforts to reshape the Air Force, we see no reason to ask you for an increase in end-strength. In fact, over the long-run, we see our Air Force getting smaller as we introduce new, highly capable manned and unmanned systems.

With respect to capabilities, we have delivered a transformed Air Force to the battlefield—armed Predators, Global Hawk, bombers working closely with our battlefield airmen on the ground, new tactics for time sensitive targets, networked intelligence, surveillance, reconnaissance (ISR) and advanced combined air operations center, a truly leveraging capability. Where it makes sense, we have integrated active, guard and reserve units as part of our future total force.

And we have done some spectacular things there that we never thought were possible in having the guard and the reserves working very closely with our active force. And there are a number of states that have just leaned well forward to show that there are innovative things that can be done.

We will continue to do so when it enhances our combat capability, increases our surge capacity and enables us to achieve efficiencies in how we organize, train and equip our total force. We have created new expeditionary organizations, such as our contingency response groups. We consolidated the B-1 bomber fleet, achieving its highest mission-capable rate in 20 years.

We modified that aircraft so that it now performs a dramatically good role in areas where air defenses have been suppressed. And it came into its own with very precise weapons and will continue to be a viable system as we give it standoff weapons for those. That phase of the war, Congressman Skelton, where you cannot go on top because of air defenses, but you can fire from a distance, once you can go on top, you can use the less expensive weapons.

We have engaged with industry to stabilize production of critical Air Force capabilities—the F/A-22, C-17, Predators, Global Hawks and other systems—thereby increasing efficiencies in the supplier base.

As I said, we transformed the F/A-22 by integrating new avionics and weapons that will make it the premier air-to-ground strike system in heavily defended areas, as well as highly effective against cruise missiles, in addition to its main role of deterring any nation from challenging our ability to gain and maintain air dominance. Our F/A-22 budget request continues much-needed programs to building and supports the transition from development to operational test with an IOC at the end of fiscal year 2005.

The \$4.8 billion request includes funding for production of 24 aircraft and continues our smooth ramp up to 32 jets per year.

Our next step is to focus on four distinct mission areas, all with demonstrable capabilities to support land and surface forces. So we are realistically modernizing our special operations aircraft. We will start with the recapitalization of our helicopter fleet for them and then continue with the tools essential to link air and ground operations, as we have shown over the last two years.

We are increasing our attention to close air support from various altitudes and at various ranges. Clearly, interdiction helps ground forces. But we are talking about working close aboard to the land forces.

In this regard, we will seek to update an as yet undetermined number of A-10's and we will acquire the Stovl version of the Joint Strike Fighter, further expanding our opportunities for integration of training and certain facilities with our Marine Corps brethren.

We are developing a long-range strike strategy that includes investment plans to sustain our legacy force and a future stealthy, possibly regional, bomber. And we are focusing on joint warfighting in space, working with other interested parties on rapid insertion of microsats, as well as potential methods of protecting our space assets.

Beyond establishing and maintaining air dominance, there are initiatives where we are pressing forward with families of unmanned aerial vehicles (UAV)s and remotely-piloted aircraft, many of which will support land combat directly and in real time. We are building a portfolio of sensing capabilities. And we continue to develop ground moving target indicator capabilities, cruise missile defense technologies, as well as new integration of battlefield command and control (C2) capabilities, all focused on dramatic support of land forces.

General Jumper and I believe it is important that our counterparts continue to see us demonstrate our obvious commitment to air-to-ground support, both deep interdiction and close air support.

Mr. Chairman, our 2005 budget supports this joint focus. The \$98.5 billion budget request invests in a portfolio of military advantages that continues to develop and take care of our Air Force people, maintain readiness, improve our infrastructure and provide decisive effects based on capabilities that are needed for our joint warfighters.

The budget request continues to support our core competency of developing airmen. In this budget, we have made a determined effort to balance our military to civilian force mix, ensuring a combat-ready force and managing the demand of our most stressed military career fields.

The 2005 budget also will allow us to replace, renovate or privatize more than 10,400 family housing units, over 10 percent of our total inventory. This keeps us on track to eliminate inadequate housing at continental United States (CONUS) by 2007, our four northern tier bases by 2008, and our overseas by 2009. In addition to your continued support of equitable pay and benefits, this is one of the most tangible investments in the quality of life we can make for our airmen.

We are concerned, however, as we look at all of this, with the growing pressure and increased costs in our military health care system. Improvements to the TRICARE benefit over the past several years, coupled with escalating premiums and copays in the civilian sector are driving many retirees and family members back to choose TRICARE.

Over the past two years, we have seen an increase of eight percent in the number of retirees returning to our system. This is a good news story, at one level. It is validation that we are caring for our retired servicemembers.

It comes, however, with significant cost growth. We were advantaged when our retirees used other medical systems in the past.

This year, the Department reprogrammed over \$600 million to pay for this growth, cost increasingly absorbed by the services. Although you will mark the defense health program as a separate authorization, General Jumper and I ask you to keep this increased usage and cost in mind as you consider any proposed expansion of benefits.

Our \$27.1 billion readiness request ensures that the Air Force remains ready to perform our wide ranging global missions—from space support to global mobility. Our fully funded flying hour program funds considerable spare parts and fuels needed to sustain air crew combat readiness.

Finally, our budget request includes increases in both research, development, test and evaluation (RDT&E) and procurement to support our emphasis on transformation and modernization, consistent with the strategy I have described already, as well as our military construction budget, which is equal to that which we said we would put into the 2005 budget last year.

Our proposed budget makes a significant investment in a number of critical joint systems: 14 C-17s, 11 C-130Js, seven Predator As and two Bs, four Global Hawks and \$650 million in joint space capabilities, including beginning work on transformational communications, space-based radar and military satellite (SAT) communications.

We are also investing in a wide range of joint weapons for close air support and precision strike, including more than 23,000 highly precise Joint Direct Attack Munition (JDAM)s. In addition to our increased focus on air-to-ground concepts of operations, we are proud of our continued investment in these joint warfighting capabilities needed by our combatant commanders.

Mr. Chairman, please let me close today on the same topic which I closed our posture hearing last year—sexual assault. With the help of this committee, your counterparts in the Senate, former Congressman Tillie Fowler and her panel and the reinvigorated Air Force Academy Board of Visitors, we have taken a wide range of action at the academy to protect our cadets and to implement a system of response, investigation and victim care consistent with those in the operational Air Force.

Since the implementation of the agenda for change in March of last year and the release of the Fowler Panel report, we are pleased to report there has been a meaningful progress across multiple fronts. The academy senior leadership is aggressively focused

on the area of basic cadet training, officer development and the cadet discipline system.

In the area of prevention, we have sought outside experts to review and assist in training faculty, staff and leadership. We have incorporated almost all of the Fowler recommendations to enhance training, implement a tough new alcohol policy and, most important, have created an integrated response team for victims of sexual assault.

But we continue to refine our approach. For instance, based on the Fowler Panel's recommendations on confidentiality, we have attempted to strike a balance between the needs of the victim and the necessity of investigating felony allegations.

While this is proving to be a difficult concept to implement, we sincerely believe it is in our best interest to remove barriers to victims coming forward so that we can prosecute criminal offenders. But we also have to recognize we have a military organization and that each member of that organization has a responsibility to the mission, to the crew, to the team, to ensure we do not have criminals among us.

Whether we look at the record numbers or increasing quality of female applicants, our initial reactions are very positive. As of today, the academy admissions office has received over 3,000 applications from women, an increase of over 35 percent and the largest number of female applicants in the history of the academy.

The increases in the average grade point averages across all four classes of cadets—both male and female—appear to show that we are instilling an improved climate for learning, as well. These are initial good signs.

We are on a long-term agenda for change that will change the culture. And we know there is much to do. So we remain focused.

I would like to inform the committee of a recently commissioned assessment that General Jumper and I ordered of our sexual assault response across the entire Air Force. We have asked our major command commanders to include education, training and prevention, reporting procedures, response programs and program oversight in these comprehensive reviews.

And we directed this assessment across our major commands prior to the recent press articles about the Sheppard Air Force Base incident. In fact, over the fall, we had our Pacific Air Force Command take the lead in doing an initial review of our active Air Force to make sure that, as we make the academy closer to our active Air Force, our active Air Force is, in fact, performing as we would want it to.

Mr. Chairman, members of the committee, we are proud to lead the finest Air Force in the world and are honored to be part of the joint team that has done so much to defend America and our interests. With your continued support and the investment this budget makes in adapting our force to the demands of this new era, we will continue to deliver for our citizens.

I look forward to your questions, sir. Thank you very much.

[The joint prepared statement of Secretary Roche and General Jumper can be found in the Appendix on page 518.]

The CHAIRMAN. Thank you, Mr. Secretary.

General Jumper.

**STATEMENT OF GEN. JOHN P. JUMPER, CHIEF OF STAFF,
UNITED STATES AIR FORCE**

General JUMPER. Mr. Chairman, Congressman Skelton, it is a pleasure to be here today. And I thank you for the opportunity to sit before you with my boss, Dr. Roche. Together, I think that we have been able to make some significant impacts on our United States Air Force. And it is a pleasure for me to be able to serve with someone who cares as much as my boss, Dr. Roche.

And I also thank you, Mr. Chairman and Congressman Skelton and others on the committee who have taken the effort to go visit the area of responsibility (AOR). I get feedback when you go. And it is a huge deal when you all show up and you show the concern for our soldiers, sailors, airmen and Marines that you do when you are in the field. And I appreciate that very much.

In return, our airmen are working as hard as they can for this nation. And I think that you see that out there every day, in all sorts of missions, all around the world.

And as you know, Mr. Chairman, we have completely restructured the Air Force over the last several years, as we have transitioned into an Air Expeditionary Force (AEF) that Dr. Roche mentioned. We have ten Air Expeditionary Force packages that we use to conduct the nation's business. And during Operation Iraqi Freedom, we had to call eight of those ten AEF packages forward to be used during Operation Iraqi Freedom.

We have just finished the initial part of reconstituting our force. And we are starting back this month in our normal, 90-day rotational construct.

We will continue to have to reconstitute certain elements of our mission support. We opened 36 bases between Operation Enduring Freedom and Operation Iraqi Freedom; 14 of those bases remain open today. And it will take some while for us to get back on a normal path with mission support as we continue on into the future.

And as you know, Mr. Chairman, and as you said, we are still flying 150 sorties a day over Iraq, between mobility, air refueling, intelligence, surveillance, reconnaissance and close air support, and some 50 sorties a day over Afghanistan for the same purposes.

Every day, Mr. Chairman, 47 percent of the active duty Air Force is committed to supporting combatant commanders around the world. They are deployed for contingency operations, they are engaged in global mobility operations, they are on alert with our strategic deterrent forces or they are on duty in forward locations all over the world. And we could not be more proud of the way they conduct themselves.

In our mobility forces alone, the tempo remains about 50 percent above pre-9/11 activities. And of course, as you know, Mr. Chairman, we cannot do any of this without the full participation of our total force—our Air National Guard and our Air Force reserve.

About 20 to 25 percent of each of our AEF packages is made up of Air National Guard and Air Force reserve members. And let me just pause here to say a word about employers.

When we started off in Operation Enduring Freedom, we started a program where we issued to employers who had let their employees go to be activated or to volunteer, a small pin with the Air Force symbol that had an "E" in it, for employers. And it took after

a program that we found in the history books that had taken place in World War II.

We got thousands of replies from employers around the United States, telling us how proud they were to be able to have their employees participate in the war on terrorism and that we had their full support. It was a heartening response to the call to duty.

In Operation Noble Eagle, as you know, Mr. Chairman, patrolling the skies over the United States, more than 80 percent of that effort is borne by the Air National Guard and the Air Force reserve and has been for 2.5 years now.

We also are continuing, Mr. Chairman, to join the other services in our work to continue our joint transformation. I spend a lot of time with the other service chiefs, talking over joint concepts of operation.

We are, in the Air Force, reorganizing our warfighting headquarters construct around the world to be more responsive to joint commanders worldwide. We are globally networking our air operations centers to be responsive to rapid crises throughout the world.

And we are working with the other services to make sure that we understand their emerging concepts. The Army's brigade combat team concept, which calls for forces potentially deployed deep in enemy territory and then makes us have to rethink the way that we keep corridors open for resupply, the way that we get back to deal with soldiers on the ground who might be in trouble, again making the case for the utility of the F/A-22 in such situations that the F/A-22 can exist in those environments. And with the Navy, to look into their seabasing concept and see what the Air Force has to do to adjust to that way of thinking.

And I know of a concern to Congressman Skelton. You will be proud to know, sir, that the joint chiefs are engaged in looking at professional military education—joint professional military education—into ways to improve that on into the future.

We have put great emphasis on concepts of operations and capabilities to guide the way that we buy our force and guide our way toward the right kinds of programs. In the work up to Operation Iraqi Freedom, we took forces out into the western deserts of Nevada. And we actually rehearsed the Scud fight with the special operators, with the platforms that would be actually used in the combat.

We took those very same people and we transported them over to the bases around Iraq to do that fight during the course of battle. And it paid off, big time.

I wish you could have gone and seen the proficiency with which that joint team was able to find anything that moved out there in the desert. It was truly amazing. And I could not have been more proud of them.

We have seen new ways of doing close air support. In Afghanistan, we saw young Staff Sergeant Matt Lienhard on the ground, on the horse, with the laptop computer and the satellite dish and the laser goggles, being able to designate targets over on the next ridge line and call those up to B-52s at 39,000 feet. And we have now incorporated that into our close air support doctrine as new ways to support our soldiers and Marines on the battlefield.

The networking of intelligence, surveillance, reconnaissance, satellites and bombers, we saw during the dust storm in Iraq. And you may recall, at the end of March, we were able to tell exactly when that dust storm was going to hit with our satellite weather prediction capabilities.

We were able to completely redo the air tasking order, to put the Global Hawk, the Joint Surveillance Target Attack Radar System (STARS), with its ground moving target indicator radar capability, the Global Hawk, with its high altitude reconnaissance features, in with the air operation centers and our bomber forces, to be able to network them and do real time tracking of those forces coming out of Baghdad, trying to reinforce the Medina division, being able to get exact coordinates and being able to bomb them quickly.

Now that network was done on chat rooms with the speed of typing. We need to continue to improve the way we network so that it can be done truly digitally at the speed of light. And we will continue to do that.

And that is why we talk about new generations of integrating platforms like the E-10A that will bring to us the capability to horizontally integrate the manned, unmanned and space platforms of the future.

And again, we are also mindful of the concepts of operations it takes to deal with future threats—with cruise missiles, with new generations of surface-to-air missiles, with new generations of fighters that are being built and deployed today.

And we still have to work on other areas. We came out of Iraqi Freedom still not satisfied with our ability to do bomb damage assessment and get quick feedback to commanders on the ground about what has been destroyed in front of them. We will continue to work that. And the Joint Chiefs have pledged we are going to wrestle that to the ground.

We still have work to do on fratricide. Even though the numbers were small, even one is outrageous when we either put bombs or shoot down one another's aircraft. We need to do, again, better integration and seamless networking among the air, land and sea and coalition partners that we fight with in these crises.

And we realize through all of this the increased importance of our global requirements. Our tankers and our global mobility assets enable all that we do. And we must continue to put emphasis on recapitalizing, especially our tanker fleet.

Enabling it all, of course, as well as the mobility forces, are the space forces as we look forward, as the boss said, to new capabilities such as space-based radar and transformational communications.

And finally, as the boss did, let me just end quickly on our people. Our recruiting has never been any better. Our retention is 100 percent in all categories and, as a matter of fact, greater than 100 percent in most categories.

And with this, we are very pleased with the abilities of our recruiting force to attract people to our Air Force. The quality has never been higher. We have not reduced our quality requirements at all during this crisis and as we continue to recruit people into our Air Force.

And let me just add one final note about sexual assault. The boss said it very well. But let me just add that on this team we call the United States Air Force, on this team that we call the joint force that the Nation sends to engage its enemies, there is no room for predators or for felons.

We will continue to do everything we can to make sure that our teammates all know that we cannot tolerate predatory behavior of any kind in our forces. And the boss and I will continue to put that forward, as we have with the academy scandal, in whatever else emerges in these reports that have surfaced over the last few days.

Mr. Chairman, we thank you once again for all that you have done and this committee has done for the United States Air Force. And I stand ready to take any of your questions.

[The joint prepared statement of General Jumper and Secretary Roche can be found in the Appendix on page 518.]

The CHAIRMAN. Thank you very much, general. And Mr. Secretary, thank you for being with us.

Obviously, you folks cover a big piece of the DOD waterfront. And I am going to reserve most of my questions to the end here. But I wanted to ask you one thing that I think is key to the operations that are underway right now in theater.

The point of damage to American forces right now resides in these improvised explosive devices (IED)s that are going off on the roadways in Iraq. It has become the weapon of choice for the bad guys.

The times when they are vulnerable, obviously, is when they are putting these things out. There are prospects for using technology to be able to monitor those roadways and, more importantly perhaps, to combine that technology with the warfighters on the ground. And I am thinking especially of the hot areas of operation (AO)s here where the 82nd Airborne, 4th Infantry Division and others are right now working to hold the line and provide stability.

And what you have to have in operations like that is very close communications and coordination between the folks on the ground and the folks in the air. For example, if you are using devices—airborne devices—to spot people putting out bombs on the roadside, you have to get that information to the folks on the ground like that. You have to be able to talk to them. You have to be able to coordinate with them.

Now the systems that we have over there right now are owned by you folks and owned by the AO commander, by the Central Command (CENTCOM) and the big DOD. The division commanders and their brigade and battalion and company leadership who are deploying the forces on the ground do not own the assets.

I think that is making it more and more difficult to really do the extremely close coordination that is necessary to use assets in the air and assets on the ground to effectively work in that AO. So my question is, looking at both your manned and your unmanned assets that you have available, I would ask you, Mr. Secretary and general, to make a review with your Army and soon-to-be Marine leadership who are going to be on the ground over there, to make sure that your assets are being used.

I mean, we use the term “interoperability” and “jointness” all the time. This is a time when, literally, that guy that has got a rifle

platoon or a rifle squad and needs to be able to vector them into a position within minutes, needs more than ever to have direct communication and, in some cases, control of the aerial assets. I think we have a little disconnect right now.

I think you did great in the big operation when you could independently go out there and, as long as you had moderate coordination with the ground forces, you could knock these targets out. But I think now that perhaps more precision is needed, more real time communication. I think we have lost that connectivity.

Mr. Secretary.

Secretary ROCHE. Thank you for the question. It is one that we could spend a good two hours on between us.

We started a project right after the end of base recumbent operations. And our concern was it appeared that a large part of our strike role was over. But yet, we would have ground colleagues who would be on patrol, and what was our responsibility to them? What could we do?

And it was to screen all the technology we had and focus on the problems that they face. We worked with the Army, with the Acting Secretary of the Army, the Chief of Staff of the Army.

We now have a group that consists of the chiefs of staff of the services and the secretaries. We have met once. We have subgroups who are bringing technology from the Navy, the Air Force, et cetera.

And it is the points that you make. It is both—we have the large vehicles that can do wide area surveillance. And they tend to be controlled in the United States. But we are now adapting more to be able to downlink directly to a laptop-type screen or a land force operator on the ground.

Just let me use the word “soldier” or “trooper” for the category, because it includes people like our special operators, our Air Force battlefield airmen, as well as Marines and soldiers in the Army. The Marines had taken the effort to take the Litening II pod that we developed and to provide a link between the aircraft for the Litening II to again a ground display so that the ground forward air controller (FAC) and the pilot could work very closely together.

We have experimented with a series of UAVs, very small ones, including working with the Army on their Raven, which is something we have carried. And we have developed an individual, manned, portable in a rucksack drone that I had the pleasure of sharing with Mr. Skelton yesterday. And six of those are now being taken over to be used by our security forces. And we have shown them to the Army, as well.

If we prove these out, we will turn these over to them. And that is within a mile or so of you.

We have a series of experiments on radars that look at disturbed earth. I think you may be aware of one. There are others. There are some that can be worked with the Advanced Synthetic Aperture Radar System (ASARS) radars on the U-2s. They have radars on Predator.

There is also a Defense Advanced Research Projects Agency (DARPA) radar that we are very much encouraged by, which can observe in synthetic aperture radar the disturbance of earth. We

went to Yuma, which has the closest soil to the Baghdad area in the United States. And we have tested that there.

In all of this, we are trying to share as much of this as we can with our Army colleagues. With respect to who controls what, let me ask John to speak to that issue because it gets to the air component commander and the ground component commander and to what has to be part of the package of an Army battalion as compared to what services can we provide.

General JUMPER. And let me just say quickly, Mr. Chairman, that we are in touch with our air component commander over there, General Buchanan. And his instructions are to work with whoever he has to work with to make sure that those connectivities are made, those connections are made that you describe.

And we—the boss and I—have been out looking at technologies to get the pictures and the displays directly to the ground or to sit the Army guy in the console with our folks. The only thing we are trying to avoid is making sure that we do not get to a position where we have to teach a whole bunch of people how to deal with a prop over speed or a fuel pump payer or something that is going to lose the asset.

But we can put the sensor any place that the people on the ground want. And it is a matter, you are exactly right, of making the right connections and getting the right communications right down at the division or lower-level to be able to do this. And we will continue to work that, Mr. Chairman, I promise you.

The CHAIRMAN. General, let me just say, from my perspective of looking at this and understanding what you are doing, I think we are failing.

General JUMPER. Yes, sir.

The CHAIRMAN. I do not think we are making the connectivity.

And Mr. Secretary, you spoke of the Predators that are being tested at Yuma. That test is done. You have a system there you could probably move into theater.

Secretary ROCHE. We have others. The thing I was thinking of is we have other systems which may be equal or better to it.

The CHAIRMAN. And I guess my point is, I understand that. We are great at developing things. And we are great at working and R&Ding and convening groups.

You have a batch of Predators that are in this country right now that are not being used. The one consistent call that we heard in country by division leadership was a need for these systems.

Basically, this persistent scrutiny of these road beds, because the only time you have a shot at these guys who are killing our troops is when they are putting these things out. Now it takes a little effort to put these 155 rounds out and hook them up and get them ready to go.

Once they are out and some guy could back off a half a mile away with some type of a remote device, he no longer is exposed. So you have a very limited window. We need your assets to be able to see during that short window and be able to operate. And you have a very limited time to be able to get them.

And I guess, to some degree, this is the challenge that we face. We had the Army before us talking about the need to be able to modularize the Army to the point where you could move brigades,

you could mix and match and you could fit conflicts in a much more precise manner and be much more effective in utilizing end strength.

We have, with the uniformed and the non-uniformed capability in this country, massive military capability. And the ability to focus that on a precise point is the real test of the genius of the American military.

Now we have lots of assets right now that I think could be helpful in knocking these IEDs off. To some degree, it is similar to being at Tikrit and saying, "Well, what have you got for armored Humvees?" And they drive up with something that was worked on in a machine shop in Tikrit with half a dozen Iraqi welders.

So with this massive industrial base that we have to support this thing, in the end, when you are watching the guys go out on patrol, they have something they picked up in a machine shop in Tikrit because all the king's horses and all the king's men could not flow down to them what they needed. Now with respect to this capability, you have a bunch of Predators in country right now that I think could be deployed. And if you have better stuff, let's use it.

The problem with all of our wars are they are all "come as you are." And the system that is four or five or six or eight months down the line from being turned out and tested is not any good to us.

Secretary ROCHE. Yes, sir.

The CHAIRMAN. It is not going to show up on the battlefield tomorrow.

Secretary ROCHE. We have stuff out there. To the best of my knowledge, every one of our Predators is either being used for training here or is deployed.

The CHAIRMAN. That is not my information. We just did an analysis on this and we just located a batch of them over here, plus the ones you just took out of testing at Yuma, which have some good capability.

Now, let me tell you what I am told by the guys that operate them. They said they could be in country in two weeks, working, operating.

Secretary ROCHE. Those are Bs, I think, are they not? They are still in development, the B models. I was referring to the A models, which are in fact over there. And where that system works well is on pipeline monitoring. The IEDs in town, the electro-optical systems actually work better because you are looking for changes in the patterns.

The CHAIRMAN. But you also have long stretches of roadways that are what I would call out of town or suburban. That AO, for example, to the west of Baghdad, is as big as Wyoming.

Now it has some urban arteries around Fallujah and other places. You have obviously got the Baghdad system. But you have all types.

And you also have this massive move right now that is taking place, this change in operations and units, where we are doing literally hundreds of thousands of truck miles with these convoys. Having persistent surveillance over those arteries is valuable. And what I am told is, at least our analysis is, we have lots of units here.

Another thing we have done is we have moved—as I understand, a lot of our systems have been moved back to the United States to be “reset;” that is, to be fixed and maintained. We could move maintenance crews into theater and maintain them there.

Just looking at this thing and in the briefings that I have had and the information I have got, my feeling is you have a little bit of a disconnect right now between the folks that need this stuff in theater. They would not be telling us they needed it if it was all there and it was three bags full. It is not three bags full.

Secretary ROCHE. We agree, Mr. Chairman. We both have been there. And we have both talked to them. And we agree that it is not hooked up directly with the folks.

We will get back to you specifically on where each Predator is. But we have them all out there and working. And the things we are talking about are stuff that we can get out there now.

Part of the problem has been the connectivity between the air component commander and the ground component commander. The ones that are being reset, I think, are almost all Army systems because we were about to retire one of the Predators that were overseas and we fixed it up in place, did exactly what you talked about. And we have more contractor personnel working them in place so that we do not have to bring them back to be reset.

The CHAIRMAN. Okay. Let's follow this up. We do not want to take up the entire time on this issue. But this is the issue of life and death right now, in theater. Your focus on this is greatly needed.

That SAR system that is at Yuma, as I understand, SAR/Predator, could be in theater in a couple of weeks. Tests are over. I think we need to be able to reestablish what I think we had during the Baghdad phase, which was, I think, a close cooperation and coordination between the ground guys and your folks.

Secretary ROCHE. We will follow up with you, sir.

The CHAIRMAN. Okay. Thank you.

The gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Mr. Chairman, I yield my time to Dr. Snyder, the gentleman from Arkansas. I will ask questions later.

Dr. SNYDER. Thank you, Mr. Chairman. Thank you, Mr. Skelton.

Welcome gentlemen. I have several quick questions that I think should take reasonably short answers in my five minutes.

First of all, after the first Gulf War, the Air Force commissioned a Gulf War Air Power Survey that was considered very independent, although you all had commissioned it. Is it your intent to do that kind of thing, Secretary Roche, after the current war in Iraq?

Secretary ROCHE. I know the author of that study. It was a very good piece of work. And I actually had some employees who participated in it.

We are doing our major lessons learned work ourselves and in conjunction with the Joint Forces Command. So it is not that we are doing only our own look at ourselves. The Joint Forces Command, under Admiral Giambastiani, actually has the lead for Secretary Rumsfeld, so that the need for a replica of the Gulf War air power study is not as necessary, in that the joint force is, in fact, taking the lead on that.

Dr. SNYDER. I wanted to ask one very specific question with regard to the Air Force Academy and the problems with sexual assaults and sexual harassments. Congress has several appointees on the Board of Visitors. What is the current report on attendance of the congressional appointees to the Board of Visitors? Do you know?

Secretary ROCHE. Oh, I am proud to say that at our last board meeting, we had the highest attendance from the Congress that we have had in history.

Dr. SNYDER. All right.

General Jumper, the Brits used some J-models, C-130J models, in Iraq. My understanding that they had some problems with navigation and dust and radar. Are you satisfied that that is not going to be a long-term problem for our J-models?

General JUMPER. I am satisfied that we have a good handle on the things that have gone wrong with the Brits and with our own experience with the airplane and that there is nothing that cannot be overcome in the problems with the C-130J. It is going to take some diligence on the part of the company to do it.

Dr. SNYDER. And what is the current status of the C-130 Aircraft Modernization Program (AMP) program? Is it on track? It seems to have been pretty quiet, the old C-130.

General JUMPER. The programs to modify these up to a standard?

Dr. SNYDER. Yes.

General JUMPER. Yes, sir, it is on track. As a matter of fact, I think we briefed the Congress on the plan to upgrade those airplanes and then the sequence of basing, et cetera. We did that work over a year ago, I think.

Dr. SNYDER. And General Jumper, the Air Force has probably been the most outspoken in the desire that they would come out ahead under another round of base closure because of the amount of excess infrastructure you have. One of the arguments that has been made about whether this should be revisited is that if we had to pull folks back or have a surge in our requirements, that we may not have infrastructure to handle that.

Are you satisfied that if our demands were to change, that even after another round of base closure, that that would not be a threat to our ability to do—

General JUMPER. Sir, the process that has been set up to go through this takes that into account. And as we step through the process and we define each layer of requirements that will go into this process, that is appropriately taken into account, sir.

Dr. SNYDER. There has been a lot of attention on the tanker issue that you mentioned. And I guess we are in the middle of an inspector general (IG) investigation of the current status of that.

But the broader picture of mobility and transportation, which has, I think, really been brought home, both for the Afghanistan war and the Iraq war in terms of our ability to move people and personnel in and out. And we now have this whole thing of all these folks coming back at the same time and a lot of folks going over.

What is the status of looking at our mobility transportation needs 5, 10, 15 and 20 years from now?

Secretary ROCHE. Either one of us can do it, sir. We are doing that. The prior number came from a study a few years ago done by the Joint Staff. That is being relooked at by the Joint Staff.

We have noted when we do get new tankers that they are cargo carriers, as well. And quite often, our tankers spend more of their time doing cargo carrying than they do anything else. Although in war, they really have to concentrate on the tanking issue.

The stress we have facing right now is because so many folks are leaving at one time and coming in at one time, and because we have over 50 percent roughly of our mobility lift in the hands of our guard and reserve, it is putting a temporary stress on the guard and reserve, which will be alleviated if we go through another rotation, which will be spread out a bit, rather than having everybody leave and everybody come in in a very short period of time, plus the rest and relaxation (R&R) trips and other things.

Dr. SNYDER. But take a longer view. Take 10, 15 years down the line. Are you all—?

Secretary ROCHE. We are. In fact, one of the things that we want to do, as we look ahead, is to see, as we predict scenarios in the future, the kind of scenarios we are living with right now are the most stressing on our mobility life. There are other scenarios which are much more stressing on strike capabilities—if we had, for instance, to deal with the North Korean problem.

And we are trying to understand what is the balance and what is the appropriate hedge to be able to do that on the basis of what is it that our sister services demand from us? What are the things that we have to do for them, because if we do not do them, they do not get done?

Well, clearly, one is mobility. The other is long-range tanking, long-range strike, close air support, a series of things like that, the whole strategic nuclear backdrop. And so, mobility as a subject area to be looked at is being looked at.

Dr. SNYDER. Do you have any comments, General Jumper, on that?

General JUMPER. Well, we are looking, of course, at the mix of C-17s and C-5s and exactly how much life and how reparable and what is the proper investment for our fleet of C-5s, and then to strike the right balance between the C-17s, the number of the C-17s, the number of C-5s and the number of C-130's.

The work on determining the flyability and suitability and air worthiness of the C-5s is going on right now as part of our air worthiness process. And again, as we get into this next iteration of the mobility requirements study, which updates the one that was done actually well before 9/11, I think that we will be informed on the right mix of platforms and equipment to do this job.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Thank you very much, Mr. Chairman.

Gentlemen, thank you for being here with us today. And thank you for the great job that you and your folks, the folks that are with you and others associated with both of you continue to do.

I had three questions. I think the first one was pretty well covered by the Chairman on the UAV issue. We are—I should speak for myself. I am absolutely shocked at the success that we have had.

I had no idea we had these capabilities with UAVs. It is a real success story. And I guess all I can say is it sounds like we need more, and different kinds, maybe.

Second question is a very short one. Could you give us a brief update on the tanker situation? Where are we? And where do you think we are going, short term?

It seems to me this is extremely important, given the E-model 135s and their condition.

And the third is more of an observation and it has to do with jointness. And I would like for you to respond to this observation.

Some years ago, the Chairman and I were asked by the Army to step forward and help lead in a controversial issue at the time, which was whether or not we wanted to spend money on Stryker. And during that conversation, we were told—I believe by the Army, I do not remember for sure, but I believe by the Army—that we had to have this system because it was C-130 deployable and we needed it. It was lighter and we needed to deploy faster, in 96 hours, and all that that you know about.

And so we stepped up to the plate and did what the Army wanted us to do because of the arguments that were made. Some time after that, a friend of mine said, "But it is not C-130 deployable." And I said, "Why not?"

They told me it would not fit. And the Army said, "Well, it will fit. And we are going to prove to you that it will fit. So we are going to fly three of them up to McGuire Air Force Base on a C-17 and we are going to roll one off and stick it in a C-130. And you will see, it fits."

And they did that. And it fit.

But then Nick Williams, who was at the time commander of the 21st Air Force, said, "You ought to talk to the pilot." So I got up in the cockpit and I sat there and I played with the yoke a little bit.

And I said, "By the way, do you always fly with this much weight?" And the pilot said, "Oh no, sir."

And I said, "Well, what is the problem?" He said, "Well, you cannot really fly far with 40,000 pounds," which is what the load was that day.

So I called General Handy, and I said, "General Handy, we just finished an operation in Afghanistan. If you were asked to deploy the Stryker on C-130's in Afghanistan, how would you do it?"

He said, "Well, let me draw you up some examples." So he identified eight airports in the theater and the takeoff characteristics at various altitudes and so on. And he made real simple charts so I could understand it. You have to do that.

And out of the eight airports that he used as examples, with a daytime takeoff and a nighttime takeoff, you could take off with 40,000 pounds 4 times out of 16. You know, this is all history. We are going to work around this problem with Stryker.

But now we are developing the Future Combat System (FCS). Guess how much it is going to weigh? Same thing—38,000 pounds.

And we were here the other day with the Army. They are talking C-130.

So my question is this, I guess, if we are going to have to have a 40,000 pound weapon system that we are going to deploy by air quickly, my question is: Are we developing a plan to do that? And I do not think we can do it with C-17s. We could not deploy the Stryker with C-130's. I am sorry.

So what is our plan? And I asked this question of the Army. And they are going to get back to me.

So I want to know if we have a plan about how we are going to deploy FCS if it, in fact, weighs 38,000 to 40,000 pounds.

Secretary ROCHE. Two questions. Let me start and then pass it over to John, if I may, sir.

First of all, on the UAVs, you are absolutely right. There are multiple families of UAVs. And the Chairman is right, in terms of what fits with what level and what type of jobs. We are learning as we go.

And thank you for the compliment to our folks on that. By the way, that is one where if we had allowed committees to design these things, they never would have turned out as good as they did.

What we did consciously was to replicate what happened in the late 1930's when the Army Air Corps built planes, gave them to their airmen and said, "How should we use these?" And it is exactly what we have done with our UAVs. And they have created remarkable things.

For instance, we never thought that the Global Hawk could be flown like a plane. We always thought it was preprogrammed. Once a pilot realized that he could use the arrow keys and fly the Global Hawk, guess what? They are flown all the time. They wandered over to western Iraq and did all kinds of wonderful things.

With regard to the tankers, we are in a situation where we have to do something with the 133, roughly 130 E-models. They have old pylons, struts, engines. And we want to recapitalize those.

I think we have made the point that we have a need to begin recapitalization. I also very much agree with Secretary Rumsfeld—pause to take a look to make sure that we can assure you that there was no untoward behavior on anyone's part in doing this.

Throughout this program, from the first time we mentioned the notion of getting these done, we said that we would put in our normal budget the regular acquisition process. And we have done that. And in the 2006 budget is the first time we start to spend money—about \$150 million—on what is called generically the KC-X.

So that is sort of the default condition. We were trying to accelerate that, if we could, by being able to replace the E-models. That is awaiting the outcome of a number of these looks and another review by the Secretary of Defense.

But General Jumper and I are in complete agreement with this. We believe we have made our case. We turned this over to the Office of the Secretary of Defense, actually, in October, November of 2002. A leasing panel went through all the work.

Secretary Aldridge worked with the Secretary of Defense, approved the lease to go forward, announced it in May of 2003. We subsequently worked on a letter to the Congress.

We always said if any one of the committees objected, we would go back to what we called Plan A, which is in the budget. And so we are still on that course.

We believe it not wise to invest a lot of money in the existing E-models, given the needs that they have to be upgraded, because they were very different than the other aircraft and, in fact, had new engines and pylons that were taken from old 707 airliners. So that is that case.

With regard to the Stryker, we did do the test with the C-130 as well down here in Washington. And you are quite right. It is a very tight fit. And because of temperature and altitude—and you have it absolutely right, Mr. Congressman; that is why the time of day, nighttime is cooler, better—there are issues where you may launch these and get the kind of flying hours you would like because you have to either offload fuel from the Stryker or offload fuel from the airplane. And that is an issue.

At the same time, though, we happened to try putting three Strikers on board a C-17. And it was remarkable. I was at the demonstration, as was the Chief, that when the one comes off the C-130, there are things that have to be done to get it ready to fight. From the C-17, the three rolled off and were ready to fight instantaneously, with all their people on board.

So we have worked the Stryker issue with the Army and will continue to do so.

FCS, we have not gotten together with them yet. And it may be it is the stage of where FCS is at. But at some point, we clearly have to.

General JUMPER. Sir, let me just add that in a situation, a tactical situation where you would be moving Stryker vehicles around inside a theater, I think that it does fit and work well enough to move them short distances around the theater. But as the Secretary said—and I talked with General Shinseki about this at the time—what we are going to really want to do is put the fighting unit, which is three Stryker vehicles with the people that go along with it, onto a C-17, takeoff from wherever you takeoff from, and take it right into the place that is going to be used.

And when it gets off, it is ready to fight as a team. I think that is the preferable concept of operations. And that is what we have been talking mostly to the Army about.

And as we get into the Future Combat Systems, we will have to see exactly what the limitations are. I do not know those yet.

The CHAIRMAN. I thank the gentleman.

The gentleman from Georgia, Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

Secretary Roche, General Jumper, thank you very much for your service. I think you do a wonderful job.

The concern I would like to raise is one that comes to me from a number of different sources that has to do with our acquisition process for new weapons systems. And I think this is probably a DOD-wide issue, not simply the Air Force. We have decided—and we are so convinced that this is appropriate that we have put it in the statute—that we are going to maintain core maintenance capabilities.

We are also quite interested in being in a position to surge when need be, in order to meet needs that might not be met in a time-effective, cost-effective fashion by private business. The concern I have is that in our current acquisition process, whether this is intentional or it is simply the way the organization has evolved with time, we are relying on fewer and fewer contractors. There is a lot of horizontal integration that has occurred in the industry, who are vertically integrated, as well.

So there is less competition in subcontracting or there is no subcontracting or more limited subcontracting with smaller suppliers, smaller vendors. The weapons systems, as a result, wind up being the captive of one entity.

And that entity is interested in not simply doing the design, the development and the construction, but also the long-term maintenance. And so, the contract winds up being one that covers all of those areas. And little thought in the acquisition process, as far as I can tell, is given to transition from contractor-based maintenance to core maintenance being provided by DOD itself in its depots.

And very little attention is being given, in the acquisition process anyway, to this problem with both the vertical and horizontal integration of all of our vendors, which in the long run is going to not serve us well. Just in my opinion, we need to be maintaining these folks as much as we can so that we have competition 10 years from now, 15 years from now, 20 years from now.

I wanted to express my concern, given what I have heard. It seems to me, at this stage, the only place to take care of the long-term core maintenance problem is in the request for proposal (RFP). Those who are bidding on new weapons systems, new platforms, have to tell us how we are going to maintain our core maintenance capabilities because it just does not seem that there is, in the acquisition process—and again, I am getting this second-, third- and fourth-hand, but I get it from a lot of people—there just does not seem to be the kind of attention at the upper-levels to this issue of surge and the need to maintain that capability, core maintenance capability.

It is not there. And if it is not there at the initial stage and we contract away the entire game, including the tail end, then five, ten years from now, you are not going to have anything for the depots to do. I think that is a real problem for us, long-term.

Secretary ROCHE. Mr. Marshall, I think I can allay some of your fears. The case you described, I believe, was the case a few years ago. We went out of our way and personally got involved in this particular issue because there was a conflict going on when we both came into office.

And the Depot Caucus was the group who was making the case that this was not being addressed right. We created the whole concept of partnering, which is that yes, you build a new system and in the early stage of warranty, et cetera, it is maintained by the original equipment manufacturer (OEM).

And then the OEM starts to work more and more closely with one of the depots, so that in the very long-term, we know the depot is going to be responsible, because the company does not want to be in the business of maintaining something that is 40 years old, if the technology is too old for companies to do that. But they may

create a subsidiary that is part of it. And I will get to that in a second.

We now write that into our contracts. So, for instance, on the next contract on the C-17, which is either signed, about to be signed or was signed recently, there is a specific clause that requires the OEM to begin to invest in the partnering arrangement.

We have been doing this in the electronics world at Warner Robins early. And we use it as a model, so that there will be this flow. And this partnering has made the tension go away.

With respect to subcontracts under the partnering, the ALCs under the Air Force Materiel Command have the overall management responsibility to ensure we do not get ourselves in the position of only one supplier or one supplier, but we have an easy way to get a second supplier. So the subcontracting part is not totally controlled by the OEMs. And the more things shift, the more it becomes an integral part of the Air Force.

The second point I would wish to make is I think one of the things we are most proud of is the performance of the individuals, the commands and the members of the air logistics centers (ALC)s at all three of our major ALCs. Simple photographs of what the floor looked like three years ago and what the floor looks like today are dramatically different.

They went out and did what we told them to do. They benchmarked. They learned lean manufacturing. They were proud of some things that we had to tell them, "I am sorry, those ideas are 30 years old. There is a lot newer."

They went and did this to the point that one of the ALCs is now more efficient as a manufacturer than the two private companies who also do the identical work, who now come back and benchmark against that ALC. So by having a very strong core capability that partners, that allows technology to flow in without our having to come and buy every bit of the new test equipment because it flows quite naturally, it allows for a long-term relationship, such that if a company wants, for instance, a very large piece of composite structure, the company actually contracts with one of our ALCs for it because the technology has moved to the ALC in large composites.

So I think we have worked this through, that over the long run, we will be fine. Plus, there are some of these companies that are in the business of maintaining aircraft. And they are still doing things well.

The CHAIRMAN. The gentleman from Georgia, Dr. Gingrey.

Dr. GINGREY. Thank you, Mr. Chairman.

Mr. Secretary, Dr. Roche and General Jumper, thank you. Thank you very much for a very good briefing.

I wanted to know if you could tell us anything about the so-called F/B-22 bomber. I have been hearing a little bit about that lately. And the reason I am asking, of course, is as you know, the F/A-22 Raptor is produced right in my district at Marietta, Lockheed Martin. And I have been hearing some discussion about that. And any information that you can give us in regard to the Air Force long-term plans for a new bomber, whether it is the F/B-22 bomber or something like that, I would like for you to discuss that.

General JUMPER. Sir, we have been working with the Chairman, actually, to work our way through what the next generation of long-range strike is going to be. And we have begun the process now to actually try to define what piece of technology we need to take the big leap to be able to do long-range strike and what it takes to bridge us to what that leap is going to be.

And one of the possibilities, one of the candidates for this, is certainly a variation of the F/A-22, taking full advantage of the development work that has been done on that airplane. But we are in the process right now of starting down the analytical road that gets us into the milestone process for defining what this might be.

But certainly, taking full advantage of the work that has already been done is one of the distinct possibilities.

Boss?

Secretary ROCHE. I think that is absolutely right. The candidate that emerges early because it is potentially very efficient to build is a bomber variant of the F/A-22, which would give it dramatically greater range, something short of the B-2, but still it is able to fight and to depart quickly. Our problem with our very large bombers is that they do not have an ability to fight on their own.

And given where we are thinking of using very stealthy systems, the ability to escape a particular problem or to shoot back and scoot out become very important. They will never carry as much. But we now have weapons which are so darn precise that, instead of talking about how many aircraft we need to go attack a target, it is: How many targets can we attack with one flight of the airplane?

We just tested, for instance, 80 500-pound JDAMs from a B-2, each one individually programmed with a very, very high success rate. That is an enormous number of weapons on just one pass.

In the case of the F/B-22, we are looking for something that can complement the F/A-22, which will be a deep strike system and will go after movers, et cetera, but be more regional than intercontinental.

General JUMPER. This also gets to the question that the chairman brought in his opening statement. He discussed the balance between standoff and proximity. One of the reasons that this notion of a regional-type bomber is attractive is because it is able to penetrate deep and to loiter for long periods of time and work problems on the ground, with a very short time of flight of the weapon, because it is overhead.

As opposed to the fixed target ideas that go along with putting cruise missiles on standoff weapons, where your time of flight then can be more than an hour to get en route to the target. It is the time of flight balance that you are searching for and what makes a weapon such as this attractive.

It has to be stealthy. It has to retain, in this case, the benefits of supercruise to aid in its penetration and, in this case, also able to loiter for long periods of time.

Dr. GINGREY. In general, those are actually all of the characteristics of the F/A-22 Raptor that would make it an attractive platform, possibly for—

Secretary ROCHE. F/A-22, most certainly. And F/B would be something with a much larger wing. But there is an issue that

Congressman Marshall raises, which is we have such consolidation in our defense industry, that we are increasingly concerned that, as a monopsonist, the single buyer, we are dealing increasingly with a single supplier, which is never healthy.

And to do it right requires some very delicate work between the supplier and the government. We just cannot ask the question: Well, how much do you want to do that?

And we are seeing this more and more. And I think it is going to be a problem for all of the services, given that the industry has consolidated to the degree that it has, that we are able to have the sort of positions on price that allow us to come before you and not be embarrassed.

Dr. GINGREY. Right. Thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

Thank you, Secretary Roche and General Jumper, for being here and for all that you do for our Nation.

Secretary Roche, you touched on something that is a pretty sore subject with me, and that is base closure. You touched on something that is a big subject for me, and that is military treatment facilities.

And I was wondering—you mentioned that a larger number of your retirees are using those military treatment facilities. And you mentioned that is a good thing. And I agree with you. That is a good thing.

It is something they were promised the day they enlisted. No matter how long ago it was, they were promised it. And we do know from checking that over half of our nation's military retirees have intentionally retired near a base so they can use that treatment facility.

My question is: As you put together your thoughts on base closure—and hopefully, you are getting your thoughts to the commission or the future commission—have you considered trying to exempt those bases with treatment facilities, just for that reason? It is something that was promised, something that a heck of a lot of your retirees have intentionally chosen to retire near a base so they could use it. It is being used more often, not less. And it is the place of choice, both for our active duty and for our retirees.

Second thing I wish you would comment on—and I will use the specific instance of Keesler Air Force Base—I know all of us get caught up in buzz words. And one of the buzz words around this town now is privatization.

But I would guess that you as an individual probably own a home, rather than rent one, because in the long-run, it is cheaper to own than to rent. What I do not quite understand, which is going on in the case of Keesler Air Force Base, is a move to shut down houses that we own the property, we own the buildings, and go rent.

Now that may be great for a handful of folks who own those rental properties. But I do not think it is a fair thing for the taxpayers who are paying for that. I just do not see how, in the long-run, it is cheaper to rent than to maintain what we already own.

Third thing I would like you to comment on—and in fairness, I had intended to do this to every one of our service secretaries. And I missed the first one. So unfortunately, you are going to be the first one I catch.

We keep hearing about this excess capacity. I am going to put you on the spot. I want you to name just one base you think needs to be closed. [Laughter.]

Fourth thing—and I do think your force does this well. But I think everybody can do it better. And that is why I am bringing it to your attention, not that you are doing a bad job, but I think we could all do better.

We hear encroachment is a big consideration. And I know one thing the Air Force has is a heck of a lot of experts on everything.

To what extent—rather than letting encroachment become a problem that could jeopardize a multimillion dollar facility that the taxpayers have paid for, to what extent does the Air Force proactively approach town councils, boards of supervisors at the county level and tell them what you need as far as glide path restrictions and as far as noise restrictions, ahead of time? Rather than coming back, years later, and telling your town council or your board of supervisors, “I am sorry, we have to close your base because you have made it impossible for us to land airplanes here.”

Has the Air Force taken a proactive approach ahead of time to say, “Look, this is a valuable property. We employ a lot of your constituents here. It is good for national defense. It is good for your local economy. This is what we are asking of you so that we can continue to use this base in the future as far as glide path restrictions on height.”

And again, taking a proactive approach, rather than going back after the fact and saying, “You have blocked my access.” So I think those are my questions.

And again, I hope you notice we are tweaking. That means everything else you are doing, you are doing fine. So we are just tweaking those things that I do see some concerns with.

Secretary ROCHE. Thank you, sir. And let me start again and ask John to comment, especially as a former wing commander and a major command (MAJCOM) commander, in terms of working with the locals.

The rules on the base realignment and closure (BRAC) do not allow us to exempt anything. And we are not. In fact, we are not looking at bases per se at this stage. We are looking at military capability.

But let me hook it to a point that you made. The issue that we raise is we have retirees coming back to the TRICARE system. I know in my daily dealings, some people would not agree. I believe it is a good thing because it says we are keeping faith with people and we gave them our word.

The thing that we believe, and especially in the case of the Air Force. Now I have had the experience of living under two medical systems, the Navy's and the Air Force's. I will not tell you all the details of how I feel about the Navy medical system, but I will tell you about the Air Force one. It is fabulous.

And we have unused capacity in our Air Force hospitals and clinics. And in some cases, we are doing some joint work with the Vet-

eran's Administration (VA), as we have, for instance, in Las Vegas, and there is another place that I just cannot remember.

We want to do an experiment to help keep down the costs—and I have made this point to Dr. Chu—we would like to take an area and say: Let us advertise to our retirees what is available at our Air Force medical facility that we use to take care of our active people, to train doctors and staff to work in our expeditionary Air Force, and see how many of them will come back, not to TRICARE, which is cash, but come back to our existing facilities, work with our doctors.

We have changed the criteria for promotion of doctors. We have tried to make this and other medical personnel a field that is an energetic field.

We still believe that having those senior medical officers respond to a wing commander who is worried about the health and welfare of our airmen and families is an important key here. And we differ from our sister services in that regard.

So we take your point and are already trying to get this experiment to both lower costs and to make better use of our existing facilities. But with respect to BRAC, we are not permitted to take anything out.

With respect to privatization of houses, the privatization system works in the following sense: It is not just the ownership of the house, it is the maintenance of the house and other things which consumed a great deal of money. The way the privatization program works, as I am sure you are aware, is you bundle. And you tend to bundle houses that are in good shape, but houses that need a lot of work.

And instead of the taxpayer putting out the money to fix up everything and maintain it, a contractor takes that, takes the monies that are given for basic allowance for quarters and, on balance, invests very little in the brand new ones because they are in good shape and starts to build where there were old ones. As we have seen it—and our sister services feel the same way—this has worked out well and appears to have legs for the long-run, as long as the local commander continues to demand that there be the prompt servicing of those homes, that the quality not slip. So it becomes a command problem to ensure that the contractor performs as the contract says he should.

We have certain facilities in our northern tier states where there is simply not enough housing. And there we do own and we build and we pay for everything ourselves. So we are seeing the contrast in monies that go into that, as compared to the privatization.

So, so far, sir, we see the housing privatization as making great sense for a very long term because that money will be continued to be plowed back in to both maintain and to build new ones.

On the excess capacity—

Mr. TAYLOR. Okay. Secretary Roche.

Secretary ROCHE. Yes?

Mr. TAYLOR. Put me down as highly skeptical on that answer.

Secretary ROCHE. Sir?

Mr. TAYLOR. Put me down as highly skeptical on that answer. We are going to have to have another talk on this.

Secretary ROCHE. All right, sir. We can. On excess capacity, obviously I cannot name a base because we have not made up the list.

Mr. TAYLOR. You are one out of three now, Secretary Roche. [Laughter.]

Maybe you will win on this next one.

Secretary ROCHE. He acknowledged that these were not softballs, Mr. Chairman. [Laughter.]

And I am going to take the heat for the two of us on this one, as well. We cannot name a base with excess capacity. We know we have between—in the total force, guard, reserve and active duty—we believe, as we look to the future, we have more infrastructure than we require, and especially because we have to provide security forces to protect the security.

The reason we have had to ask the Army to provide us with 8,000 guardsmen is because we exhausted our active security force, our reserve security force, our guard security force. We wiped out the fire departments and sheriff's offices of all kinds of small towns. And we cannot do that in the very long run because we also opened up 36 new bases overseas.

So therefore, on a security force basis alone, it is forcing us to take a look at: What do we need? And what makes sense?

On your last point on encroachment, I am aware of a number of cases where we have a very active relationship with the community. I have spoken to the community leaders, as well as the wing commanders, base commanders have.

We have tried to tell them ahead of time what sorts of glide paths we need. I know of at least one where the community has been terrifically responsive and, in fact, has made sure that that glide path is taken care of.

I have worked with governors who have come out and said, "I understand the problem. We will work with the legislature to ensure that we do not all of a sudden zone things in such a way that cause a problem between us."

So in a number of cases, I know it has gone very well. And John has done this for a living.

General JUMPER. Yes, sir. I can say, in every case that I know of, there is a very active relationship between the base and the local community on keeping up with these kinds of issues. There are cases where land has been purchased by the local community to keep encroachment problems away, where swaps have been done between government land and privately owned land, for the same purpose.

I will get back to you on specifics, if there is a specific program or a specific process. But I know that it is on the front burner of every commander who has got a flying operation out there to make sure that the community is aware of those things that would impact that commander's flying operation because that is his living.

Mr. TAYLOR. Thank you again.

Secretary ROCHE. Mr. Chairman, I think that was batting 500.

The CHAIRMAN. Okay. You are getting close there to the 500. The gentleman makes a good point with respect to base closing. One of the things that I think is important for you to make sure you inject in your formulation on base closing is the surge requirement and also simply the expanded training requirement.

You are never going to get back these bases once they are gone. I think one thing we have learned is you will never retrieve them. You better make darn sure you get plenty of space to fly these.

As our systems become longer range, greater standoff, greater speed, I think it is important for your folks. And we injected in this committee, in the law, the requirement that surge capability and headroom for that surge be put into the base closing formulation.

So Mr. Secretary and General Jumper, I hope you keep good scrutiny on that factor, because it is clear we will never retrieve a base once it is closed.

Secretary ROCHE. And you raise a point—and you did last year, sir—in terms of ranges especially, it is not a matter only of speed and precision and standoff. It is also electronics.

We find ourselves now with advanced systems and an economy that has a lot of electronics that we have to be careful that we do not do harm to communities. And therefore, part of the range issue is not just trying to fly supersonically. It is what can we turn on and what can we not turn on?

The CHAIRMAN. Exactly. Good point.

The gentleman from South Carolina, Mr. Wilson.

Mr. WILSON OF SOUTH CAROLINA. Thank you, Mr. Chairman. And thank you, Mr. Secretary, general, for being here today. And I agree with Senator Saxton that this has just been an extraordinary year for the Air Force.

And so, in lieu of grilling questions, I just want to thank you for the service of the Air Force in Operation Iraqi Freedom, around the world. It has just been extraordinary.

And I truly grew up with an appreciation of this. My dad was in the 14th Air Force Flying Tigers during World War II. And so I grew up in the holy city of Charleston and am familiar with the Air Force base there and remember going to kids' day. Always been impressed.

And then I am very grateful, I have a nephew at Langley. He served in Kurdistan in the past year. We were so proud of his service.

It is just on and on, the success of the Air Force. And in my visit to Iraq in September, I was so impressed at the lack of collateral damage, the success of the bombing, the precision bombing and what that had to mean for the people of that country and certainly to our troops as they advanced so quickly.

Additionally, I am very grateful that I do not have air bases directly in the district, but adjacent to the district—Shaw Air Force Base at Sumter, McEntire Air National Guard Station right next door to the district that I represent. And I have gotten to know firsthand, from both bases, of their level of commitment.

They have been great about keeping me informed. And then I had the great opportunity to work with Senator Lindsey Graham, who was the Judge Advocate General (JAG) officer of the Air National Guard, as I was the JAG officer of the Army National Guard. And so know firsthand from Senator Graham of the Air Guard capabilities.

Additionally, I am really pleased. The Chairman has mentioned correctly about surge space. And a unique quality of both Shaw and

McIntyre is they are adjacent to a national park, which happens to be a swamp.

And so, you will not have to worry, as Congressman Taylor has correctly pointed out, about zoning problems, encroachment. It is there and with blackout capability. And so I am grateful for the units next to me.

Another interest that I have, I am pleased to work with Congresswoman Tauscher as co-chairs of the Bulgaria Caucus. And I was very pleased to see that, in terms of operations, that certainly for the first time in history—in the 1,200 year history of Bulgaria—that they are working with the United States voluntarily of providing a base.

And as we look at the global basing plan, the people of Bulgaria are very desirous of being part of the North Atlantic Treaty Organization (NATO), which they will be in May. And they very much appreciate working with the United States on the war on terror.

And so again, in lieu of grilling you, Mr. Secretary, not even a softball question, I just want to thank both of you. I am just grateful to be on this committee with our Chairman. And any way that I can be supportive, please let me know.

Secretary ROCHE. Thank you, congressman, very much.

General JUMPER. Thank you, sir.

The CHAIRMAN. I thank the gentleman.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. Gentlemen, thank you for being here.

I just had a couple of brief questions, but before I do, I just wanted to mention that I went over to Iraq in January. And the Air Force took great care of us. And it was my first Congressional delegation (CODEL) and look forward to many more. So thank you for that.

As you know, in January, President Bush had outlined his vision for space exploration, which included, among other things, the manned mission to Mars. And he stated that the National Aeronautics and Space Administration (NASA) would be the primary agency to sponsor the initiative, but indicated that other agencies could be involved when applicable.

So my question is: Has the Air Force been working on this initiative? And what role do you expect the Air Force to have in its development? And are there any items in your budget request related to the President's program?

The second thing I had—and probably more importantly—this committee has been concerned about the frequency and duration of reserve component mobilization. And in your partial statement, you noted several efforts you have planned to relieve the pressure on the reserves.

So what I would like you to do, if you could, is to elaborate on those plans. If you could answer those, I would be grateful.

Secretary ROCHE. All right. I will start on space. And John will pick up on the reserves, if it is all right with you, sir.

On space, we do not have anything in the current budget. We will be working with Sean O'Keefe and NASA.

Now we have a separate relationship with NASA that we have had for quite some time. And NASA does some unique materials work for us.

And we have talked about rapid access to space with them. How do we have a joint strategy? How do we make sure that we do not duplicate something where they may be doing a bit of work differently than we are?

In terms of the President's initiative, it is manned in space. And so therefore, taking rockets like our evolved expendable launch vehicle (EELV)s and making them safe enough is something that we will have to discuss and have to discuss in whose budget that goes.

But we would expect to be doing it. But there is nothing in the current budget for that now.

With regard to reserve mobilization, I will pass it over to my partner. Either one of us can do it, but . . .

General JUMPER. Sir, on the mobilization, there are many efforts underway to try to make sure that we do not overly burden our guard and reserves and especially these great employers that I talked about in my opening remarks. Just a small example of that is, for instance, in our Air Expeditionary Force makeup, the way we have it made up, we have the ability if the Nation chooses to be able to call forward our Air Expeditionary Force packages and only touch those active duty parts of that, to delay a mobilization decision in the event of a conflict as much as we possibly can.

In the current situation, I think we still have about 15,000 or so mobilized.

Secretary ROCHE. About 15,000. We have 3,000 volunteers as of today.

General JUMPER. And 3,000 volunteers out there. We watch the numbers twice a week to make sure that they are coming down as quickly as we can and that nothing is being added that is not absolutely necessary.

And then, in the makeup of the Air Force, trying to figure out how we can accommodate the guard and reserve in the future. In the state of Georgia, we have our Joint STARS wing, which is our ground moving target indicator airplane.

And in Georgia, we have blended the active duty unit that was the Joint STARS wing with a former National Guard unit that was the B-1 wing that was deactivated there, blended those two together. That unit is now commanded by a National Guard officer.

And what you find is that during the weekly training, the active duty guys are able to train and carry on a certain level, aided by the volunteers that come in with great experience, especially in the maintenance field. And then when you surge for combat, you first go with your active duty and your volunteers, which gives you a great initial capability. And then if you mobilize, you bring on the rest of the volunteers, so that you are able to take full advantage of that airplane while it is deployed.

We are taking that example and using it in other types of aircraft and other units as an experiment to see how much of that we can do. It is things like that that we are doing to make sure that we do not take for granted the volunteer nature of our Air National Guard in particular and have taken over advantage of our Air Force reserve.

Secretary ROCHE. One of the points that I would only add is to date, we have only mobilized one-third, a little over one-third of our guard and reserve. Now some of those units have spent a lot of time—for instance, the C-130Js, which are in great demand because we are effectively the local airline inside of Iraq, as well. But 65 percent of our guard and reserve has not been mobilized and sent overseas.

Mr. LANGEVIN. Thank you for those answers. It is good to hear. Obviously, I know that you know how important it is that we do not overtax our guard and reserve. I appreciate you mentioning that and giving it attention.

Secretary ROCHE. Yes, sir.

Mr. LANGEVIN. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Texas, Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman. I want to follow up on something you all touched on a little bit, I think. But I want to get a little more into it.

It seems to me that one of the most obvious lessons from the last year or two is the importance of long-range strike. I do not remember off the top of my head the numbers about what percentage of targets were hit from bombers and so forth.

But I know that, in the future, we will have little guarantee of bases in the region. And we will increasingly, I think, be dependent upon being able to hit a target anywhere in the world from the United States or maybe a few other bases.

I know we are getting better and better about munitions. And we can take these old platforms and do amazing things with them. But platforms are not insignificant, too. And it is not just their age, but the number we have.

When you just have a handful of B-2s and a decreasing number of B-1s and then some of our B-52s. There is just not much to work with.

And yet, my understanding is that there is just very little, if any, work going on to think about designs for a follow-up bomber. Aren't we being shortsighted in not pursuing platforms which have that global strike range?

Secretary ROCHE. Let me start, Mr. Thornberry. One, one of the datums that we use is that in the Iraqi Freedom conflict, we have flown under 600 bomber sorties in the entire conflict. But we have flown something like 16,000 fighter bomber sorties.

And of 94,000, we have something like 61,000 mobility sorties. So if you ask: What is our Air Force today? Our Air Force is very much a lift and mobility force.

We also recognize that our bombers—and as people talk about bombers, the economies of scale of them are very good against fixed targets. And with the precision of weapons and you go through the dimpy—whatever dimpy stands for, the target points—we can exhaust the dimpy list in hours, let alone days.

The tough ones are fighting in a condition where you have not suppressed the air defense systems, catching things that move. Those are the issues that have been looking at in terms of long-range strike, as well as distance, because you can, with the new stealthy airplanes like the F/A-22 with internal carriage, by not

putting weapons on the outside of the airplane—as you well know, the drag drops down so you get much greater range than you otherwise would have had, say, in F-15s.

So this issue of how to do this best, in the long-run, there are probably some solutions that could be suborbital; could be, we are not sure. It is the short-run that the Chairman has challenged us in the last year to take a look at in great detail. And we have.

And we have done about all we are going to be able to do, in terms of making the B-1 stealthier. What we have done with it is to make sure it can use all 24 of its positions, except in certain circumstances. We are now thinking of putting certain sensors on board, which will allow it for the first time to be able to see the targets it is going to attack.

We did that with our B-52s, two B-52s with Litening pods that the guard and reserve had the clever idea to try. And we put it on. And it was a home run. The (CFACC), the combined force air component commander, said, "I want those B-52s because now I have got pilots working them."

So we are trying to build a portfolio of long-range strike. We think the next phase of it, as we look at this point, is something that has, say, twice to three times the range of an F/A-22, can carry very precise, small diameter bombs. Because as precision goes up, you do not have to have the impact.

Save things like our B-2s for big, deep and buried targets and have a portfolio of long-range strike. And it is one of the reasons why we are so concerned about our tanker force.

Because even with bombers, big, long-range strike bombers, they all get tanked, tanked, tanked.

Mr. THORNBERRY. But should we not at least have some smart engineers fooling around on a sketch pad or whatever, thinking about what a next generation bomber might look like?

Secretary ROCHE. We have. We have. And the problem that the Chairman pointed out to us, we have so many studies going on that all we had were building studies.

Mr. THORNBERRY. Right.

Secretary ROCHE. And so the issue is to try and coalesce those down to: What are the choices for procurement? And we are in that stage right now.

As I say, the early candidate is something like an F/B-22, but not necessarily one.

Mr. THORNBERRY. And I appreciate the shorter-term issue that you all are focused on, which makes sense. I guess my concern is that, as we look out over a longer period of time—20, 30-plus years—that that demand is only going to increase.

Maybe space can help provide a lot of the answers. I mean, I agree with that. But I would just hate to put all our eggs in that basket, or assume that these platforms can just go on indefinitely.

Secretary ROCHE. We understand that we have to recapitalize. For instance, in the case of the B-52, we fly it very differently than it was intended. We took 76 out of 700 and picked the very newest and the very best. We fly it high and slow.

The big change with the B-1 is flying it higher, flying it slower and using it in an area where we have always suppressed defenses. It is the breaking down the door. It is the stealth part.

And once you get the stealth, the bigger you make it, the slower it goes, the more fuel it consumes to push its way through the air. If you try to make it very sharp so it goes through the air, it is not quite as stealthy. We have a lot of engineers working that issue.

How do you cool surfaces so that they do not stand out in certain phenomenologies? That work is going on. And we would be glad to come and tell you what has been going on in our labs on those subjects.

Mr. THORNBERRY. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman. And I thank him for his line of questions. And I think the first part of his question is one that I think we should all remind ourselves of, and that is we have lost all these landing capabilities, all these air bases around the world, over the last 20, 30 years. And it is counterintuitive that, as we have lost basing and we have these big spaces to travel, our modernization program has on the average encompassed acquisition of aircraft with shorter and shorter legs—that is, almost no bombers; in fact, no bombers; lots of fighters.

And clearly, we are relying on the old B-52s. While we talk a great game about technology and we certainly love it so much, interestingly the backbone of the system is the non-technological solutions—a big old bus that carries lots of stuff.

The B-1s, we put in money to start the retrieval of the 23 B-1s last year. We have talked about that, Mr. Secretary.

You have testified that the B-1s, that you have saved money, so the remaining B-1s you were able to upgrade and render more combat effective. And you have testified that they were very combat effective as a result of that.

That has led us to appreciate the fact that the 23 that were sent in off to mothballs would also be, with the expenditure of dollars, combat effective. And that is a major asset to let go at this point when there is no new stuff on the horizon.

So I want you to know the committee is very interested in continuing to walk down this path of retrieving those 23 B-1 aircraft.

Secretary ROCHE. We are starting, sir, with seven right off the bat that we will use the \$17 million to hold onto. If I could at least deter the challenge of thought, we have actually introduced two bombers since the last time we introduced the fighter bomber.

So we are old in our design of the fighter bombers in service today. They are certainly not stealthy. The F-15E, a derivative of the F-15, is a terrific air-to-ground machine. But it cannot be used in a heavily defended area because of lack of stealth.

We are trying to balance the portfolio. And we know we have to get back to bombers.

The CHAIRMAN. Okay. In the end, we have to cover lots of space with lots of stuff. And you have to really stretch that F-22 to get it to approximate payload and ranges of the big bombers.

Secretary ROCHE. You never could match the payload, sir. You never could match the payload.

The CHAIRMAN. So let's keep working that one. That is, I think, pretty important to the committee here, is deep strike capability.

The gentlelady from California, Ms. Tauscher.

Ms. TAUSCHER. Thank you, Mr. Chairman.

Good to see you, Secretary Roche, General Jumper.

Mr. Chairman, I think it might be good, Mr. Chairman, for those of us that have the finest Air Force bases in the world to get a one-minute unanimous consent paid political announcement so that we can talk about our bases and how terrific they are. Travis Air Force Base in my district is one of the best, obviously. And the nice thing is that it has such great community support from Solano County and Fairfield and Vacaville.

But I do want to talk to you about the funding levels in the budget for the C-5A/B to C-5M modernization programs, both the Avionics Modernization Program (AMP) and the Reliability Enhancement & Re-engining program (RERP) programs are not funded at a level that will get us to where we are supposed to be in 2007. And I am concerned about that, for the obvious reasons.

We are happy to have both C-5s and C-17s at Travis. But right now, we are using Russian Antonov 124s to do our work in Afghanistan and Iraq. And we cannot sustain that for very much longer, nor should we, in my opinion.

But what is the plan, since we have shortfalls in the budget, for the modernization program to get ourselves to where we need to be in 2007? Is that date going to slip? How are we going to work this out, Mr. Secretary?

Secretary ROCHE. Ma'am, I could be wrong, but I think the AMP is on track. It is the RARP that has slipped a year. And the reason that we wanted to do that is we have promised you that we will take a look at the A-models.

Ms. TAUSCHER. Right.

Secretary ROCHE. And among other things I created—or John and I created—the Fleet Viability Board, paralleling the Navy Board of Inspection and Survey. Before we make a big decision, we want to have a sense of what those As look like and whether it is worth putting money into them, because they typically have been the planes that have the greatest down time.

Now, at your base—I think it is the wing at that base—we have had a period of time where planes have been maintained without cannibalization. And Madame, that is the first time I know of that happening on a C-5. And we were ecstatic.

John sent me the note at home and they let me know about it. And now it has also happened at one other base.

So our folks are doing a terrific job. But we still have the long-range plan to do exactly that. We have to decide, beyond the Bs—we know we are going to modernize the Bs—in the As, are they in good enough shape to invest in? Or do we take a path that goes down buying more C-17s?

Ms. TAUSCHER. And when will that decision be made?

Secretary ROCHE. How will it be made?

Ms. TAUSCHER. When?

Secretary ROCHE. Ma'am?

Ms. TAUSCHER. Is that part of the air mobility study that you just talked about?

Secretary ROCHE. This is actually ongoing. They are working right now to take a look at the As. We would expect this within this cycle or the next cycle, so within the next 1.5 years, to have an answer.

What my promise to you all was that we would do a diagnosis of the As, come up to the Hill, show you everything, give you a sense of what it would cost and then have the Congress sort of work with us to understand why we might take one path or the other path. But the Bs look like they are no problem at all.

With regard to the Antonovs, Transportation Command (TRANSCOM) is responsible for moving things from A to B, not the Air Force really, although we provide most of the things. When they hit a point they exhaust our stuff, the reserves, the civil reserve air fleet (CRAF) and, in a number of cases I think, in about 70 cases, they contracted for Antonovs.

They are not doing that right now. But it was to take care of a particular spike.

I must tell you, as a business guy, I thought it was a very clever thing to do to handle a spike, just as I think their work with the CRAF group and the civilian airliners who have participated in CRAF, has been a very clever way of doing that business, as well.

Ms. TAUSCHER. Great. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas, Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

And Secretary and General, welcome. And thank you for spending some time with us today.

General, I was intrigued by your statement that we are averaging 150 sorties a day in Iraq and 50 sorties a day in Afghanistan. And to follow up the Chairman's concerns with the number of aircraft, including bombers, I have a question on the F-117 aircraft. It is stealthy. And it has, I think, been a great part of the success on the war on terror.

And although they are not assigned to my district, they are adjoining. And I know they played a large part in both Afghanistan and the Iraqi theaters to date.

Given that, I was surprised to see that in the budget request, the funding for the F-117s is down, eliminating ten of these proven aircraft from the inventory. I was wondering, can you explain the rationale behind the decision?

General JUMPER. Yes, sir. The stealth technology on the F-117 is from the 1970's. And as we bring the F/A-22 on board, we are balancing our stealth capability across the board.

The F-117 is not going away. And so it is a matter of we think we have enough to do the jobs we are going to be asked to do with the F-117.

And recall that the number of stealth sorties we flew with the F-117 was relatively low in Operation Iraqi Freedom. The number of B-2 sorties we flew over Afghanistan and Iraq, also relatively low. And as we bring on new capabilities, we want to make sure that we keep ourselves balanced.

So the F-117 is not going away. We are just reducing the total numbers by what we think is—and increasing our capability, as the F/A-22 comes on board, by a prudent amount.

Mr. REYES. Well, in that context, I was wondering first of all, did we consider other options? Because it seems to me that reducing the aircraft number by ten ramps up the wear and tear on the remaining aircraft. Haven't they been part, a regular part, of the deployment in theater?

General JUMPER. No, sir. No, sir. We take and put them over there for specialized uses. And of course, the F-117 is our only stealth fighter. That and the B-2 are our stealth capabilities. There really were no alternatives to look at.

And again, I think we took a look at this in context of balance and prudent use of the taxpayers' money. And that was our judgment, sir.

Mr. REYES. In the event that something happens that you have to ramp up again, how much would it cost to reactivate these?

General JUMPER. Sir, I will have to get back to you on that and exactly what kind of storage they are being put in, et cetera. And I will get you that information in detail.

Mr. REYES. Okay. But as I understand your statements here, it does not affect in any way whatsoever our combat capability, that decision.

General JUMPER. Sir, we continue to improve in both our ability to kill targets with stealth aircraft. Witness the rack that carries 80 individually guided bombs on the B-2. And we think that by making this reduction that we are going to increase the mission capable rate on the remaining F-117s.

So we think that we do this with no loss in combat capability.

Mr. REYES. Okay. Well, if you would just get back to me on what we talked about.

General JUMPER. Yes, sir. Absolutely, sir. Thank you.

Mr. REYES. I would appreciate it.

Thank you, Mr. Chairman, and thank you gentlemen.

[The information referred to can be found in the Appendix beginning on page 571.]

The CHAIRMAN. Thank the gentleman.

The gentlelady from San Diego, Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you very much, Mr. Chairman. And thank you all for being here. We certainly applaud the brilliance and the professionalism of the Air Force. And I am proud to say that that was part of my family, as well. And I appreciate that.

I wonder if you could just speak for a minute—and you might have covered this—the whole issue of minimizing the incidents on fratricide that you face. Are we putting enough resources into the research for situation awareness technology? What are we lacking in that regard? And how would you reprioritize some of those needs?

I apologize if you already answered that question.

General JUMPER. Ma'am, there are several things that are really bothersome about the decade of the 1990's and then our operations in Afghanistan and in Iraq. And one of the ones that bothers me the most—the one that does bother me the most, and the other joint chiefs, I can tell you—are these instances of fratricide.

It is extremely disturbing. We have spent a lot of money over the years trying to wrestle this to the ground and trying to find the technologies that can give you the sort of reliable data you need to keep track of airplanes, ships, pieces of equipment and right down to people.

Many of these solutions are highly classified and they have to do with space. And what I can assure you is that among the major

issues and lessons learned that the joint chiefs have decided to take on, this whole notion of fratricide is at the top of the list.

And we will continue to invest in the technologies until we beat this. And I will be glad to come over or send people over to talk you through some of the options and some of the technologies that are out there that we are pursuing in this regard.

Ms. DAVIS OF CALIFORNIA. I appreciate that.

Mr. Secretary?

Secretary ROCHE. I was just going to make the point to add to John's that we feel this strongly even though this is the lowest amount of fratricide we have ever experienced. It is a matter that we think this is something that you can eliminate totally, between both how you train, your tactics, procedures and technology.

But this is the lowest. It is not that we had a real problem here. It is that any problem is a real problem.

General JUMPER. I was just working yesterday with a group on Wing 16, the data links, this notion of self-forming, self-healing networks. And with the equipment we have now or coming on in the very near future, we have the capability to track large numbers of things out there, be they air-, land-or sea-based.

And it just becomes a very simple task. It is a software task. And these sorts of things drive me crazy. This information has been hidden in these data link messages. And it is a matter of extracting the right information and putting it on the right display. But the information is already there.

And it was one of these byproducts that was discovered in this information technology that can be so very confusing. That is one example of the sort of breakthroughs we need to be pursuing to help us out with this.

Ms. DAVIS OF CALIFORNIA. Sometimes what I hear in San Diego is that there are some industries, businesses that are working on some new technologies. But sometimes, their access to folks to talk about that is difficult.

And so again, I think sometimes we get a little lost in that system. But we all worry that if people have been incentivized to discover, to find a cure, if you will, then we certainly want them to come to the attention of . . .

General JUMPER. We have the right incentive. I never underestimate the power of bureaucracy to hide something, believe me. But this is receiving high attention.

Ms. DAVIS OF CALIFORNIA. I appreciate that.

If I may, Mr. Chairman, just very quickly? I know that the skill sets that people develop in the Air Force are very highly valued and that is why we want to focus on readiness. I wanted to just ask a brief question about the housing situation, facilities, because I know that is one that needs some attention. And it is my understanding that they have capped some of the privatization awards that can go out if they deal with housing.

Are we raising the cap on those facilities?

Secretary ROCHE. Ma'am, unless there is some information we can get and we will get back to you. But my mind says that we are on track to finish our work by 2007, except for our four northern bases, which is 2008.

And we have some overseas bases where we are redoing housing. And I think that is done by 2009 or 2010. And we are on track to do that.

And there is money in the budget to make sure we do that. In some cases, we are putting more money into housing on a base than we are in military construction (MILCON).

Ms. DAVIS OF CALIFORNIA. Okay. All right. Thank you. I appreciate it again. Thank you very much for being here.

General JUMPER. We are told that there are some caps in effect. So let us get back to you with some precise details, if you do not mind.

[The information referred to can be found in the Appendix beginning on page 572.]

The CHAIRMAN. Thank the gentlelady.

The gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

The CHAIRMAN. You looked like you were too relaxed there. [Laughter.]

Mr. KLINE. I thought you noticed that. Thank you, gentlemen, for being here. It is great to see you again.

I apologize for myself and my colleagues as we come and go back and forth. I know you are veterans of this and you know how we have competing hearings going on at the same time and we are trying to figure out how to clone ourselves or something.

I want to thank you certainly for your service, general, and just tell you how enormously proud I am of the United States Air Force, active and reserve components, of what just a terrific job that they have been doing and how pleased I am that, over the years, we have been able to develop truly magic weapons systems. And the ability to put ordinance on target in this war, compared to our first war is just truly amazing.

So I am very pleased with all of those things. I have been beating a sort of a one-note drum here lately. And I am going to beat on it just a little bit longer. And that is the employment of the guard and reserve.

And we have, in Minnesota, the guard is involved in Operation Noble Eagle. And the guard and reserve C-130 squadrons have been used and used again. And I had the great pleasure of flying with the Minnesota Guard when I was over in Iraq and getting that little shuttle ride from Kuwait to Baghdad and had an opportunity to talk to them at great length.

And they are proud to serve. And they believe in what they are doing. They are starting to feel the strain a little bit. They were the particular crew, one of them that I was talking to was getting ready to go home in two weeks—and this was back in October—but they were going to be back over there before Christmas.

And one of them said, "Well, aren't there some other C-130 squadrons that could be going over there?" The rumor flying around was that there was one or more guard or reserve C-130 units that were staying in the home field pattern and not going anywhere.

So I guess I want to applaud the job that is being done and I want to applaud the integration that I think the Air Force has done better than the other three services between the reserve com-

ponent and the active component, particularly in the—well, I will say it—particularly in the transport community. But in general, I think it is a very excellent integration of those.

But my question is: Are you seeing—as you are looking at this budget and you are looking at plans coming up for this year and next year, are you seeing some lessening of the demand for these air guard units that are literally carrying the load? And can you assure me, so I can assure them, that that is shared among the reserve component?

General JUMPER. Sir, I can first of all assure you that it is shared. There are any manner of elements that go into decisions on who to send. One is the capability of the airplanes, of course. And spreading the load is certainly another factor.

And as you know, it is not only the overseas commitment, but we have C-130 units tapped within the United States to be ready to deal with any homeland security event that might occur, as well. So as far as the balancing, I can guarantee you that we pay a lot of attention to that.

Now let me take this though and go back and let me make sure that what I have just said applies to your unit, which is the one that you are worried about. And we will get back to you with some specifics on usage, on balance and on your unit in particular, sir.

Mr. KLINE. Okay. I really do appreciate that. And I understand that there are missions at home and abroad, as you say. But it is the missions abroad that are putting a little bit higher stress, of course.

General JUMPER. Absolutely.

Mr. KLINE. If you are standing by and you are flying between Illinois and Phoenix, you know, or someplace, that is one set of demands on the family and the employer and so forth. And when you are deployed over to the Mideast, to the theater, that is a different demand.

General JUMPER. And the active, sir.

Mr. KLINE. Of course. I spent my life in the active service. And there is sort of an understanding that you are going to be gone a fair amount of time when you are in the active service. And I am concerned about their operation kmpo (OPTEMPO), as well. But my particular question is about the utilization of the guard and reserve and particularly in the transport, in the C-130 community.

General JUMPER. Yes, sir.

Mr. KLINE. So I would like to be reassured that we have poked around a little bit. But I am sort of making this an official request. Please tell me that the load is being spread among the guard and reserve units particularly.

[The information referred to can be found in the Appendix beginning on page 573.]

Mr. KLINE. So again, thank you very much.

And Mr. Chairman, I yield back.

The CHAIRMAN. I thank the gentleman. And some of his great Minnesota Guardsmen ferried us around for a while over there, too. Did a great job.

And on that point, let me just ask you, General—incidentally, I think one thing that we need to close these hearings with is the notion that, with all the exceptions that we talk about here and the

red flags that have gone up and issues that are important to us, we do a lot of things right. You do a lot of things right.

And you are a great team. I think you have a lot of innovation between you and you have a good handle on operations and long-term stuff that we have to do.

And on that point, General, let me ask you a couple of questions. Number one: Are you understanding the turbulence that the distinguished gentleman from Minnesota just talked about, with the respect to guard and the stress and strain?

Are you comfortable with the personnel situation? Do you think they are going to keep coming and signing up and operating with us with these inconveniences that they have experienced? How do you feel about it?

General JUMPER. Sir, in the discussions I have had with the people serving and with Danny James and Jimmy Sherrard, our National Guard and reserve chiefs that I deal with and the boss and I deal with several times a week. And the feedback I get from the field—including the employers, by the way—I am confident that the morale is high. And I am confident there is a commitment to this, although I do understand that there is a point beyond which things become impractical to support.

And we are dedicated to making sure that we do not take overly advantage of our people in the guard and reserve. We have not seen—when stop loss came off last summer, we did not see the exodus that many predicted would happen.

As a matter of fact, our guard and reserve, the volunteer rates and the retention rates are still very good. As a matter of fact, they are so good that we now have this end strength problem that we have to deal with. So I am not giddy about this. I am cautiously optimistic.

And with great concern that we pay the proper attention to the fact that we are taking great advantage of these employers and the people who are deploying. And believe me, sir, this has got my attention.

Secretary ROCHE. It is amazing when you travel. Like on Thanksgiving I was in Iraq. And at one of our bases, the deputy wing commander, who is the commander at the one particular base, that was his last week. And he was a reservist. And he was going to go back to his full-time job. But he was the commander.

These folks get positions of responsibility, just like the active duty force. And each time we travel, we always ask an audience: Who is from the guard? And who is from the reserve?

As long as they see fairness, their morale has been terrific. And they have been fabulous contributors, just fabulous.

The CHAIRMAN. Okay. General, let me go back to one point before we wrap up here that I think is important for us, and that is your efforts in support of the ground operations in country in Iraq right now and in Afghanistan. But my thoughts are, understanding that you have a liaison obviously, Air Force liaison, with division commanders, my thoughts are you need to have some good Air Force gunfighter over there, probably with stars on his shoulders, who when he consults with the division commander and they come up with some things you need, can call up and make things happen.

If you have somebody of a lower rank, that gentleman or lady may be a good message carrier, but has to rely on other people to actually pull the trigger on action items. I think you need to get an operator side by side with those people on the ground and make damn sure you get them everything that they need, understanding that you are not going to train them to work systems.

But they can tell you, in pretty good shorthand, one of the great things about Americans is we can work together inter-service. And we have developed great relationships. That is really the key to the so-called jointness, operating jointly in the field.

Please take a look at that. Just scrub what you have, take a look at that and let's see what we can do.

General JUMPER. I have got you loud and clear, Mr. Chairman.

The CHAIRMAN. And Mr. Secretary and General, I just got the figures on what assets we have that are in country on UAVs. And I will, after the hearing, have him engage with your folks and let's go over that.

Secretary ROCHE. We just checked this morning. So if we have a difference, we want to resolve them.

The CHAIRMAN. Yeah, there is. We have some. I mean, our information, we have located quite a few that are here, warehoused in the States. So we will lock Mr. Lautrup up with you until somebody yells, "Uncle" here.

Does the ranking member have something to add here?

Mr. SKELTON. You bet. Mr. Chairman, thank you, sir.

General Jumper, you mentioned a few moments ago an earlier statement about the Joint Chiefs working on professional military education. A bit of history—your predecessor, several removed, who later became the Chairman of the Joint Chiefs of Staff, went public a good number of years ago saying that the Joint Chiefs of Staff advice that was given to the Secretary and to the President was watered down pabulum.

And as a result of this, he brought this to Congress. Richard White, a Member of Congress from Texas, had a series of hearings, put together a bill that did better things, created some sort of jointness.

When he retired, I put together a bill in early 1983 that abolished the Joint Chiefs of Staff. And I must tell you that the Joint Chiefs of Staff, to a person, had no sense of humor at that time.

But we continued and we had hearings. And thanks to a wonderful staffer, this committee two more times passed legislation. And it was stalled in the Senate until the Chairmanship changed in the Senate.

And then under Barry Goldwater and Sam Nunn, the Ranking Member, they put together a comparable bill. In 1986, we passed what came to be known as the Goldwater-Nichols bill. And Mr. Bill Nichols from Alabama was the Chairman of the subcommittee that worked so hard on it here.

And this created a basis of jointness within the services. It also gave you a Vice Chairman of the Joint Chiefs of Staff, which the Joint Chiefs were adamant against. The Joint Chiefs fought this all the way—unpleasant and, at one point, bitter.

But Congress did this with such majorities in both the House and the Senate, it was veto-proof. So Goldwater-Nichols was born.

A little over a year later, another step was taken toward jointness. And that was the professional military education panel that was established here in the House. And I was the Chairman of that.

And I might say that the Joint Chiefs cooperated much more fully in that effort, which of course created a jointness in education, as opposed to training, toward a jointness education atmosphere. The Pentagon sent over to us a retired Air Force colonel, name of Mark Smith. The Navy sent a commander by the name of Bob Natter. The Army sent a colonel, name of John McDonald. And the Air Force sent a lieutenant colonel over by the name of Don Cook and assigned them to our committee for that year.

And as a result of the work that we did, a good number of issues were changed, including joint requirements, joint schooling. And without going into any detail of it, but it was good work. And the work that we did here in the House was accepted by the Senate. And it worked out very, very well.

And that needs to be reviewed. My message to you and the other members of the Joint Chiefs, General Jumper, is we would like to work with you on this. It is our baby to begin with.

You all fought it to begin with early on. And then, of course, you got with the program on professional military education, which capped off the jointness.

I hope we can work together on this issue and not have an adversary process. And I hope I am not overstating the case. But I have the memories of 1984, 1985 and 1986, although very pleasant memories of your predecessors working with us on the military education end of it.

So I hope we can do that. I have had the very interesting conversation with the Chairman on this.

We know of your concerns. And we may be able to, one way or the other, address them. But professional military education has done so well. And it pays off in the battlefield. My goodness, it does, in so many ways.

And I hope that we can work together on this. I hope, in some of your conversations with your fellow Joint Chiefs, you will urge them to work with this committee on that. And I hope I speak for our Chairman, just as well.

General JUMPER. Yes, sir.

Sir, if I just might comment? First thing I am going to do when I get back is call all those old guys and tell them they got me in trouble today. [Laughter.]

And I can tell you, sir, that working with the current set of Joint Chiefs, these guys are the most joint-minded group I have ever worked with. And in discussion with General Myers, I know it is his intent fully to work with the committee and with you in particular on a way ahead.

And I just want to report to you that this has been discussed and discussed in a very positive way among the Joint Chiefs in the tank.

Mr. SKELTON. Well, I hope this will have a lot of interest on both sides of the aisle here. But I feel a parochial interest that since all of this jointness really came from us—it is interesting to note that there were at least three professional military education studies by

the Pentagon and shelved. And then nothing happened until we actually put this in law and then a report.

And to your credit and your predecessors' credit, they actually worked it out well. There was only one recommendation that was not accepted, which was rather interesting.

The recommendation was to make the National War College a follow-on to the Army, Navy and Air Force war colleges. And this was done very tactfully, the Chairman appointing a commission under Bob Long, an admiral from Kansas City. Now he is gone; what a wonderful man.

But of course, I testified before that commission. And the outcome, of course, was obvious that they would not do that.

But that was the only recommendation that really was not accepted. And all the others were.

And I just want us, on a bipartisan basis, to work with you folks and not be at loggerheads, as it was way back regarding Goldwater-Nichols. And I hope, Mr. Chairman, I hope I do not overstate the case. Thank you very much.

The CHAIRMAN. I thank the gentleman. I thank him for his corporate memory there, too, and also the great work you did, Ike, in putting together those policy changes that today are showing up on the battlefield. So we will continue to march.

Gentlemen, thank you very much. We managed to wear you out, I think, with questions, even though we did not have as many troopers here today. But thanks for what you do. You do a lot of things right.

And we have to persevere in the ongoing conflicts, prepare for the next ones. We look forward to working with you. And Mr. Lautrup will be down here in a second here to tell you about our findings here on these systems.

And let us particularly focus on these theaters and work together. The hearing is adjourned.

Secretary ROCHE. Thank you very much, Mr. Chairman.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

A P P E N D I X

FEBRUARY 26, 2004



PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 26, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

Department of the Air Force FY 2005 Posture Hearing

February 26, 2004

This morning the committee will continue its review of the Fiscal Year 2005 defense budget request, with a look at the Department of the Air Force.

Our witnesses today are:

The Honorable James G. Roche
Secretary of the Air Force

General John P. Jumper, USAF
Chief of Staff of the Air Force

Welcome to the Committee gentlemen. We look forward to your testimony and to the discussion that will follow in the coming months.

The fiscal year 2005 budget request for the Air Force is \$98.5 billion. That's a \$7.1 billion increase over last-year's peacetime budget.

Some believe that we can cut the President's request, that because there hasn't been a successful terrorist attack on U.S. soil since September 11, 2001, we can let down our guard.

But even a quick review of Air Force operations over the last year should remind us that the only reason we've been safe these last two years is because we are actively engaged in the world; because we are taking the fight to the enemy where he lives, rather than waiting for him to come to our shores.

Today, the Air Force continues patrolling the skies over America to protect us from a repeat of a September 11th-style attack. Just in the last year, the Air Force scrambled nearly 1,000

aircraft in response to 800 incidents as part of Operation Noble Eagle.

At the same time, the Air Force was actively engaged in Operation Enduring Freedom in Afghanistan, where it continues to provide logistics and close air support to coalition units pursuing the remnants of Al Qaeda and the Taliban.

Last year, the Air Force continued Operations Northern Watch and Southern Watch over Iraq, enforcing United Nations Security Council resolutions dating back to the early 1990s. These forces quickly transitioned into Operation Iraqi Freedom last spring, where they flew over 7,000 close air support missions in a war that toppled a dictator who had the habit of attacking his neighbors, using chemical weapons, and defying the civilized world.

Since March of last year, the Air Force has flown over 79,000 sorties in support of coalition forces in Iraq and is an active participant in our efforts to bring democracy to the cradle of civilization.

The Air Force is still engaged in the war on drugs and is operating radar stations, tethered aerostats, and flying counter drug surveillance missions. Simultaneously, the Air Force continues operations in the Balkans, with over 800 airmen supporting NATO forces seeking to build a stable peace in Kosovo and Bosnia.

At the same time, the Air Force continues its deterrence mission. That's a critical capability, as we were reminded last year when we had to deploy strategic assets to Guam in order to deter any attempt by North Korea to exploit Operation Iraqi Freedom for Pyongyang's benefit.

Also, last year the Air Force supported humanitarian missions in Liberia, Sierra Leone, and Senegal.

The Air Force did all this while modernizing its capabilities and developing new technology to ensure our superiority against the threats we will face tomorrow.

When critics argue that the defense budget is too big and should be cut, I have to ask them: which of those operations should we forego? Should we halt our efforts to win the war on terror? Should we refuse future requests for humanitarian assistance or evacuations? Should we hand Iraq back over to a bunch of murderers and thugs? Should we cut back on modernization and send our soldiers into battle with less than the best we can provide? Obviously not.

In fact, I believe that our position in the world will call for greater resources in the future. Today, even with this increased

request, we are spending less on defense as a percentage of the gross domestic product than we were under President Carter. With that in mind, we need to fully fund the President's request so that our military services remain ready to defend the country today and can prepare to face the adversaries of tomorrow.

Gentlemen, I look forward to hearing how your budget request does that.

But first, let me recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

Mr. Secretary, the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO),
Ranking Member, Committee on Armed Services, U.S. House of
Representatives
FY 2005 Department of the Air Force Posture Hearing
February 26, 2004**

Thank you, Mr. Chairman. Secretary Roche, General Jumper:

thank you for being here. At the outset let me say how proud we, and all Americans are, of the valiant service our airmen provide everyday. They are doing dangerous and important work throughout the world. We sincerely appreciate their service, and yours.

I am pleased to see a continued rise in the Air Force budget request for Fiscal Year 2005. The Air Force provides some crucial capabilities that our joint forces require. Nevertheless, it concerns me that the budget does not provide funds to pay for the ongoing efforts in Iraq and Afghanistan. It particularly worries me when I'm being told we won't see a supplemental until January at the very earliest. I hope you will address what measures you will need to take to pay those bills. It is important to us that you be able to conduct the missions the nation asks

of you without sacrificing the service's readiness or other programs to do it.

Furthermore, you are currently carrying over 16,000 airmen in excess of your authorized end-strength. This is appropriate – you have a demanding workload. And you're not alone – all of the services are under strain. But it seems to me that it is time to acknowledge that this is not a spike – this demand is not going away and I believe we should formalize it by increasing your end-strength permanently. I would like to hear your thoughts on how you will manage to meet this demand in the future.

Finally, you know the regard I have for Air Force hardware. I only wish there was more of it at Whiteman Air Force Base. But I do have three broad questions in the hardware area. First, on the issue of fighters I hope you can address why the Air Force needs two highly sophisticated new platforms—the F-22 and F-35—since the F-22 is supposed to suppress defenses, does the F-35 need such expensive

stealth? Second, I'd like to hear more about where the Air Force stands on the tradeoff between expensive airplanes with cheap munitions and less expensive planes using long-range standoff munitions? Third, with regard to bombers, both the Chairman and I are concerned that bombers are getting the short end of the stick. You have major programs for fighters, tankers, and reconnaissance aircraft—but no bombers either on or beyond the horizon.

Again, I'd like to welcome both Secretary Roche and General Jumper and thank you for your continuing service. I also want to publicly thank all of your officers and airmen for all they do every day. I look forward to your testimony. Thank you, Mr. Chairman.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: 2004 UNITED STATES AIR FORCE POSTURE

**STATEMENT OF: HONORABLE JAMES G. ROCHE
SECRETARY OF THE UNITED STATES AIR FORCE**

**GENERAL JOHN P. JUMPER
CHIEF OF STAFF
UNITED STATES AIR FORCE**

26 February 2004

**NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

Mr. Chairman, Representative Skelton, and distinguished members of the committee, the Air Force has an unlimited horizon for air and space capabilities. Our Service was borne of innovation, and we remain focused on identifying and developing the concepts of operations, advanced technologies, and integrated operations required to provide the joint force with unprecedented capabilities and to remain the world's dominant air and space force.

Throughout our distinguished history, America's Air Force has remained the world's premier air and space power because of our professional airmen, our investment in warfighting technology, and our ability to integrate our people and systems together to produce decisive effects. These Air Force competencies are the foundation that will ensure we are prepared for the unknown threats of an uncertain future. They will ensure that our combatant commanders have the tools they need to maintain a broad and sustained advantage over any emerging adversaries.

In this strategic environment of the 21st century, and along with our sister services, our Air Force will continue to fulfill our obligation to protect America, deter aggression, assure our allies, and defeat our enemies. As we adapt the Air Force to the demands of this era, we remain committed to fulfilling our global commitments as part of the joint warfighting team. In partnership, and with the continuing assistance of the Congress, we will shape the force to meet the needs of this century, fight the Global War on Terrorism, and defend our nation.

The 2004 Posture Statement is our vision for the upcoming year and is the blueprint we will follow to sustain our air and space dominance in the future. We are America's Air Force -- disciplined airmen, dominant in warfighting, decisive in conflict.

INTRODUCTION

In 2003, U.S. and coalition military operations produced unprecedented mission successes -- across the spectrum of conflict and around the globe. The joint warfighting team demonstrated combat capability never previously witnessed in the history of conflict. Integrating capabilities from air, land, sea, and space, the U.S. and coalition allies achieved considerable progress in the ongoing Global War on Terrorism. In our most recent engagements, our armed forces fulfilled our immediate obligations to defend America, deter aggression, assure our allies, and defeat our enemies.

The foundation of these achievements can be found in the Department of Defense's (DoD) commitment to teamwork and excellence. Operation IRAQI FREEDOM (OIF) was a joint and coalition warfighting effort from planning to execution. Air, ground, maritime, and space forces worked together at the same time for the same objectives, not merely staying out of each other's way, but orchestrated to achieve wartime objectives. Our air and space forces achieved dominance throughout the entire theater, enabling maritime and ground forces to operate without fear of enemy air attack. Our airmen demonstrated the flexibility, speed, precision, and compelling effects of air and space power, successfully engaging the full range of enemy targets, from the regime's leadership to fielded forces. When our ground and maritime components engaged the enemy, they were confident our airmen would be there -- either in advance of their attacks, or in support of their operations. And America's Air Force was there, disciplined, dominant, and decisive.

These operational accomplishments illustrate the growing maturation of air and space power. Leveraging the expertise of our airmen, the technologies present in our 21st century force, and the strategies, concepts of operation, and organizations in use today, the U.S. Air

Force continues to adapt to meet the demands of this new era, while pursuing the war on terrorism and defending the homeland.

On September 11, 2001, the dangers of the 21st century became apparent to the world. Today, the U.S. faces an array of asymmetric threats from terrorists and rogue states, including a threat that poses the gravest danger to our nation, the growing nexus of radicalism and technology. As we continue our work in Afghanistan and Iraq, we stand ready to respond to flashpoints around the world, prepared to counter the proliferation of weapons of mass destruction to unfriendly states and non-state entities.

We are adapting to new and enduring challenges. As we do, we are exploiting the inherent sources of strength that give us the advantages we enjoy today. It is a strategy predicated on the idea that, if we accurately assess our own advantages and strengths, we can invest in them to yield high rates of military return. This approach helps us create a portfolio of advantages allowing us to produce and continue to exploit our capabilities. Our goal is to create a capability mix consistent with operational concepts and effects-driven methodology, relevant to the joint character and increasingly asymmetric conduct of warfare.

Since 1945, when General Henry "Hap" Arnold and Dr. Theodore von Karman published *Toward New Horizons*, the Air Force has evolved to meet the changing needs of the nation -- with the sole objective of improving our ability to generate overwhelming and strategically compelling effects from air and now, space. It is our heritage to adapt and we will continue to do so. During this comparatively short history, we became the best air and space force in the world through our focus on the development of professional airmen, our investment in warfighting technology, and our ability to integrate people and systems to produce decisive joint warfighting effects.

The Air Force is making a conscious investment in education, training, and leader development to foster critical thinking, innovation, and encourage risk taking. We deliberately prepare our airmen -- officer, enlisted, and civilian -- with experience, assignments, and broadening that will allow them to succeed. When our airmen act in the combined or joint arena, whether as an Air Liaison Officer to a ground maneuver element, or as the space advisor to the Joint Force Commander (JFC), this focused professional development will guide their success.

We are also investing in technologies that will enable us to create a fully integrated force of intelligence capabilities, manned, unmanned and space assets that communicate at the machine-to-machine level, and real-time global command and control (C2) of joint, allied, and coalition forces. Collectively, these assets will enable compression of the targeting cycle and near-instantaneous global precision-strike.

As we cultivate new concepts of global engagement, we will move from analog to digital processes and adopt more agile, non-linear ways of integrating to achieve mission success. This change in thinking leads to capabilities including: networked communications; multi-mission platforms which fuse multi-spectral sensors; integrated global intelligence, surveillance, and reconnaissance (ISR); robust, all-weather weapons delivery with increased standoff; small smart weapons; remotely-piloted and unattended aircraft systems; advanced air operations centers; more secure position, navigation, and timing; and a new generation of satellites with more operationally responsive launch systems.

Investment in our core competencies is the foundation of our preparation for future threats. They ensure we have the tools we need to maintain strategic deterrence as well as a sustained advantage over our potential adversaries. Ultimately, they ensure we can deliver the dominant warfighting capability our nation needs.

Potential adversaries, however, continue to pursue capabilities that threaten the dominance we enjoy today. Double-digit surface-to-air missile systems (SAMs) are proliferating. China has purchased significant numbers of these advanced SAMs, and there is a risk of wider future proliferation to potential threat nations. Fifth-generation advanced aircraft with capabilities superior to our present fleet of frontline fighter/attack aircraft are in production. China has also purchased, and is developing, advanced fighter aircraft that are broadly comparable to the best of our current frontline fighters. Advanced cruise missile technology is expanding, and information technology is spreading. Access to satellite communications, imagery, and use of the Global Positioning System (GPS) signal for navigation are now available for anyone willing to purchase the necessary equipment or services. With this relentless technological progress and the potential parity of foreign nations, as well as their potential application in future threats, the mere maintenance of our aging aircraft and space systems will not suffice. Simply stated, our current fleet of legacy systems cannot always ensure air and space dominance in future engagements.

To counter these trends, we are pursuing a range of strategies that will guide our modernization and recapitalization efforts. We are using a capabilities-based planning and budgeting process, an integrated and systematic risk assessment system, a commitment to shorter acquisition cycle times, and improved program oversight. Our goal is to integrate our combat, information warfare, and support systems to create a portfolio of air and space advantages for the joint warfighter and the nation. Thus, we continue to advocate for program stability in our modernization and investment accounts.

The principal mechanisms that facilitate this process are our Air Force Concepts of Operation (CONOPS). Through the CONOPS, we analyze problems we'll be asked to solve for

the JFCs, identify the capabilities our expeditionary forces need to accomplish their missions, and define the operational effects we expect to produce. Through this approach, we can make smarter decisions about future investment, articulate the link between systems and employment concepts, and identify our capability gaps and risks.

The priorities that emerge from the CONOPS will guide a reformed acquisition process that includes more active, continuous, and creative partnerships among the requirement, development, operational test, and industry communities who work side-by-side at the program level. In our science and technology planning, we are also working to demonstrate and integrate promising technologies quickly by providing an operational "pull" that conveys a clear vision of the capabilities we need for the future.

We are applying this approach to our space systems as well. As the DoD's Executive Agent for Space, we are producing innovative solutions for the most challenging national security problems. We have defined a series of priorities essential to delivering space-based capabilities to the joint warfighter and the Intelligence Community. Achieving mission success - in operations and acquisition -- is our principal priority. This requires us to concentrate on designing and building quality into our systems. To achieve these exacting standards, we will concentrate on the technical aspects of our space programs early on -- relying on strong systems engineering design, discipline, and robust test programs. We also have many areas that require a sustained investment. We need to replace aging satellites, improve outmoded ground control stations, achieve space control capabilities to ensure freedom of action, sustain operationally responsive assured access to space, address bandwidth limitations, and focus space science and technology investment programs. This effort will require reinvigorating the space industrial base and funding smaller technology incubators to generate creative "over the horizon" ideas.

As we address the problem of aging systems through renewed investment, we will continue to find innovative means to keep current systems operationally effective. In OIF, the spirit of innovation flourished. We achieved a number of air and space power firsts: employment of the B-1 bomber's synthetic aperture radar and ground moving target indicator for ISR; incorporation of the Litening II targeting pod on the F-15, F-16, A-10, and the B-52; and use of a Global Hawk for strike coordination and reconnaissance while flown as a remotely piloted aircraft. With these integrated air and space capabilities, we were able to precisely find, fix, track, target, and rapidly engage our adversaries. These examples illustrate how we are approaching adaptation in the U.S. Air Force.

Ultimately, the success of our Air Force in accomplishing our mission and adapting to the exigencies of combat stems from the more than 700,000 active, guard, reserve, and civilian professionals who proudly call themselves "airmen." In the past five years, they have displayed their competence and bravery in three major conflicts: the Balkans, Afghanistan, and Iraq. They are a formidable warfighting force, imbued with an expeditionary culture, and ready for the challenges of a dangerous world.

Poised to defend America's interests, we continue to satisfy an unprecedented demand for air and space warfighting capabilities -- projecting American power globally while providing effective homeland defense. This is the U.S. Air Force in 2004 -- we foster ingenuity in the world's most professional airmen, thrive on transitioning new technologies into joint warfighting systems, and drive relentlessly toward integration to realize the potential of our air and space capabilities. We are America's Airmen -- confident in our capability to provide our nation with dominance in air and space.

AIR AND SPACE DOMINANCE IN A NEW ENVIRONMENT

The U.S. Air Force ensures a flexible, responsive, and dominant force by providing a spectrum of operational capabilities that integrate with joint and coalition forces. To sustain and improve upon the dominance we enjoy today, the Air Force will remain engaged with the other services, our coalition partners, interagency teams, and the aerospace industry. As we do, we will incorporate the lessons learned from rigorous evaluation of past operations, detailed analyses of ongoing combat operations, and thoughtful prediction of the capabilities required of a future force.

The pace of operations over the past year enabled us to validate the function and structure of our Air and Space Expeditionary Forces (AEFs). Operations in 2003 demanded more capability from our AEFs than at any time since their inception in 1998. However, for the first time we relied exclusively on our AEFs to present the full range of our capabilities to the Combatant Commanders. Through our 10 AEFs, our AEF prime capabilities (space, national ISR, long range strike, nuclear, and other assets), and our AEF mobility assets, we demonstrated our ability to package forces, selecting the most appropriate combat ready forces from our Total Force, built and presented expeditionary units, and flowed them to the theaters of operation in a timely and logical sequence. We rapidly delivered them to the warfighters, while preserving a highly capable residual force to satisfy our global commitments.

More than three-fourths of our 359,300 active duty airmen are eligible to deploy and are assigned to an AEF. Through much of the past year, Total Force capabilities from 8 of the 10 AEFs were engaged simultaneously in worldwide operations. The remaining elements were returning from operations, training, or preparing to relieve those currently engaged. By the end of 2003, more than 26,000 airmen were deployed, supporting operations around the world.

In 2004, we will continue to use the AEFs to meet our global requirements while concurrently reconstituting the force. Our number one reconstitution priority is returning our forces to a sustainable AEF battle rhythm while conducting combat operations. Attaining this goal is about revitalizing capabilities. For most airmen, that will include a renewed emphasis on joint composite force training and preparation for rotations in the AEF. Through the AEF, the Air Force presents right-sized, highly trained expeditionary units to JFCs for employment across the spectrum of conflict.

Global War on Terrorism

The year 2003 marked another historic milestone for the U.S. and the Air Force in the Global War on Terrorism. Since September 11, 2001, air and space power has proven indispensable to securing American skies, defeating the Taliban, denying sanctuary to al Qaeda and other terrorist organizations, and most recently, removing a brutal and oppressive dictator in Iraq. This Global War on Terrorism imposes on airmen a new steady state of accelerated operations and personnel tempo (PERSTEMPO), as well as a demand for unprecedented speed, agility, and innovation in defeating unconventional and unexpected threats, all while bringing stability and freedom to Afghanistan and Iraq. The Air Force and its airmen will meet these demands.

Operation NOBLE EAGLE

High above our nation, airmen protect our skies and cities through air defense operations known as Operation NOBLE EAGLE (ONE). The Total Force team, comprised of active duty, Air National Guard, and Air Force Reserve airmen, conducts airborne early warning, air

refueling, and combat air patrol operations in order to protect sensitive sites, metropolitan areas, and critical infrastructure.

This constant "top cover" demands significant Air Force assets, thus raising the baseline of requirements above the pre-September 11 tempo. Since 2001, this baseline has meant over 34,000 fighter, tanker, and airborne early warning sorties were added to Air Force requirements.

This year the Air Force scrambled nearly 1,000 aircraft, responding to 800 incidents. Eight active duty, eight Air Force Reserve, and 18 Air National Guard units provided 1,300 tanker sorties offloading more than 32 million pounds of fuel for these missions. Last year, over 2,400 airmen stood vigilant at air defense sector operations centers and other radar sites. Additionally, in 2003, we continued to institutionalize changes to our homeland defense mission through joint, combined, and interagency training and planning. Participating in the initial validation exercise DETERMINED PROMISE-03, the Air Force illustrated how its air defense, air mobility, and command and control capabilities work seamlessly with other agencies supporting NORTHCOM and Department of Homeland Security objectives. The integration and readiness that comes from careful planning and rigorous training will ensure the continued security of America's skies.

Operation ENDURING FREEDOM – Afghanistan

Operation ENDURING FREEDOM - Afghanistan (OEF) is ongoing. Remnants of Taliban forces continue to attack U.S., NATO, coalition troops, humanitarian aid workers, and others involved in the reconstruction of Afghanistan. To defeat this threat, aid coalition stability, and support operations, the Air Force has maintained a presence of nearly 24,000 airmen in and around the region. Having already flown more than 90,000 sorties (over 72 percent of all OEF

missions flown), the Air Force team of active, Guard, and Reserve airmen continue to perform ISR, close air support (CAS), aerial refueling, and tactical and strategic airlift.

While fully engaged in ONE and OIF, the men and women of the Air Force provided full spectrum air and space support, orchestrating assets from every service and ten different nations. Of these, Air Force strike aircraft flying from nine bases flew more than two-thirds of the combat missions, dropped more than 66,000 munitions (9,650 tons) and damaged or destroyed approximately three-quarters of planned targets. In 2003 alone, Air Force assets provided more than 3,000 sorties of on-call CAS, responding to calls from joint and/or coalition forces on the ground.

Last year, the Air Force brought personnel and materiel into this distant, land-locked nation via 7,410 sorties. Over 4,100 passengers and 487 tons of cargo were moved by airmen operating at various Tanker Airlift Control Elements in and around Afghanistan. To support these airlift and combat sorties and the numerous air assets of the coalition with aerial refueling, the Air Force deployed over 50 tankers. In their primary role, these late 1950s-era and early 1960s-era KC-135 tankers flew more than 3,900 refueling missions. In their secondary airlift role, they delivered 3,620 passengers and 405 tons of cargo. Without versatile tankers, our armed forces would need greater access to foreign bases, more aircraft to accomplish the same mission, more airlift assets, and generate more sorties to maintain the required duration on-station.

Operations in Afghanistan also highlight U.S. and coalition reliance on U.S. space capabilities. This spanned accurate global weather, precise navigation, communications, as well as persistent worldwide missile warning and surveillance. For example, OEF relied on precision navigation provided by the Air Force's GPS constellation, over-the-horizon satellite

communications (SATCOM), and timely observations of weather, geodesy, and enemy activity. To accomplish this, space professionals performed thousands of precise satellite contacts and hundreds of station keeping adjustments to provide transparent space capability to the warfighter. These vital space capabilities and joint enablers directly leveraged our ability to pursue U.S. objectives in OEF.

Operations NORTHERN WATCH and SOUTHERN WATCH

During the past 12 years, the Air Force flew over 391,000 sorties enforcing the northern and southern no-fly zones over Iraq. With the preponderance of forces, the Air Force, along with the Navy and Marine Corps, worked alongside the Royal Air Force in Operations NORTHERN WATCH (ONW) and SOUTHERN WATCH (OSW). Manning radar outposts and established C2 centers, conducting ISR along Iraq's borders, responding to almost daily acts of Iraqi aggression, and maintaining the required airlift and air refueling missions taxed Air Force assets since the end of Operation DESERT STORM. Yet, these successful air operations had three main effects: they halted air attacks on the ethnic minority populations under the no-fly zones; they deterred a repeat of Iraqi aggression against its neighbors; and they leveraged enforcement of United Nations Security Council Resolutions. Throughout this period, our airmen honed their warfighting skills, gained familiarity with the region, and were able to establish favorable conditions for OIF. For more than a decade, American airmen rose to one of our nation's most important challenges, containing Saddam Hussein.

Operation IRAQI FREEDOM

On 19 March 2003, our airmen, alongside fellow soldiers, sailors, marines and coalition teammates, were called upon to remove the dangerous and oppressive Iraqi regime -- this date marked the end of ONW/OSW and the beginning of OIF. OIF crystallized the meaning of jointness and the synergies of combined arms and persistent battlefield awareness.

In the first minutes of OIF, airmen of our Combat Air Forces (USAF, USN, USMC, and coalition) were flying over Baghdad. As major land forces crossed the line of departure, Air Force assets pounded Iraqi command and control facilities and key leadership targets, decapitating the decision-makers from their fielded forces. Remaining Iraqi leaders operated with outdated information about ground forces that had already moved miles beyond their reach. As the land component raced toward Baghdad, coalition strike aircraft were simultaneously attacking Iraqi fielded forces, communications and command and control centers, surface-to-surface missile launch sites, and were supporting special operations forces, and ensuring complete air and space dominance in the skies over Iraq. Due to these actions and those during the previous 12 years, none of the 19 Iraqi missile launches were successful in disrupting coalition operations, and not a single Iraqi combat sortie flew during this conflict. Twenty-one days after major combat operations began, the first U.S. land forces reached Baghdad. Five days later, the last major city in Iraq capitulated.

The Air Force provided over 7,000 CAS sorties to aid land forces in the quickest ground force movement in history. Lieutenant General William S. Wallace, Commander of the U.S. Army V Corps said, "none of my commanders complained about the availability, responsiveness, or effectiveness of CAS -- it was unprecedented!" As Iraqi forces attempted to

stand against the integrated air and ground offensive, they found a joint and coalition team that was better equipped, better trained, and better led than ever brought to the field of battle.

Training, leadership, and innovation coupled with the Air Force's recent investment in air mobility allowed U.S. forces to open a second major front in the Iraqi campaign. Constrained from access by land, Air Force C-17s airdropped over 1,000 paratroopers from the 173rd Airborne Brigade into northern Iraq. This successful mission opened Bashur airfield and ensured U.S. forces could be resupplied.

Before 2003, the Air Force invested heavily in the lessons learned from OEF. Shortening the "kill chain," or the time it took to find, fix, track, target, engage, and assess was one of our top priorities. This investment was worthwhile, as 156 time-sensitive targets were engaged within minutes, most with precision weapons. The flexibility of centralized control and decentralized execution of air and space power enabled direct support to JFC objectives throughout Iraq. Coalition and joint airpower shaped the battlefield ahead of ground forces, provided intelligence and security to the flanks and rear of the rapidly advancing coalition, and served as a force multiplier for Special Operations forces. This synergy between Special Operations and the Air Force allowed small specialized teams to have a major effect throughout the northern and western portions of Iraq by magnifying their inherent lethality, guaranteeing rapid tactical mobility, reducing their footprint through aerial resupply, and providing them the advantage of "knowing what was over the next hill" through air and space-borne ISR.

The Air Force's C2ISR assets enabled the joint force in Afghanistan as well. This invaluable fleet includes the RC-135 Rivet Joint, E-8 JSTARS, and the E-3 AWACS. This "Iron Triad" of intelligence sensors and C2 capabilities illustrates the Air Force vision of horizontal integration in terms of persistent battlefield awareness. Combined with the Global Hawk

unmanned aerial vehicle and Predator remotely piloted aircraft, spaced-based systems, U-2, and Compass Call, these invaluable system provided all-weather, multi-source intelligence to commanders from all services throughout the area of responsibility.

OIF was the Predator's first "networked" operation. Four simultaneous Predator orbits were flown over Iraq and an additional orbit operated over Afghanistan, with three of those orbits controlled via remote operations in the U.S. This combined reachback enabled dynamic support to numerous OIF missions. Predator also contributed to our operational flexibility, accomplishing hunter-killer missions, tactical ballistic missile search, force protection, focused intelligence collection, air strike control, and special operations support. A Hellfire equipped Predator also conducted numerous precision strikes against Iraqi targets, and flew armed escort missions with U.S. Army helicopters.

Space power provided precise, all-weather navigation, global communications, missile warning, and surveillance. The ability to adapt to adverse weather conditions, including sandstorms, allowed air, land, and maritime forces to confound the Iraqi military and denied safe haven anywhere in their own country. As the Iraqis attempted to use ground-based GPS jammers, Air Force strike assets destroyed them, in some cases, using the very munitions the jammers attempted to defeat. As Defense Secretary Donald Rumsfeld noted, this new era was illustrated by the coalition's "unprecedented combination of power, precision, speed, and flexibility."

During the height of OIF, the Air Force deployed 54,955 airmen. Ambassador Paul Bremer, Chief of the Coalition Provisional Authority, pronounced, "In roughly three weeks [we] liberated a country larger than Germany and Italy combined, and [we] did so with forces smaller than the Army of the Potomac." Led by the finest officers and non-commissioned officers, our

airmen flew more than 79,000 sorties since March of 2003. Ten thousand strike sorties dropped 37,065 munitions. The coalition flew over 55,000 airlift sorties moved 469,093 passengers and more than 165,060 tons of cargo. In addition, over 10,000 aerial refueling missions supported aircraft from all services, and 1,600 ISR missions provided battlespace awareness regardless of uniform, service, or coalition nationality. This was a blistering campaign that demanded a joint and combined effort to maximize effects in the battlespace.

Today, Air Force airmen continue to contribute to the joint and coalition team engaged in Iraq. At the end of the year, 6,723 airmen from the active duty, Reserve, and Air National Guard conducted a wide range of missions from locations overseas, flying approximately 150 sorties per day including CAS for ground forces tracking down regime loyalists, foreign fighters, and terrorists. On a daily basis, U-2 and RC-135 aircraft flew ISR sorties monitoring the porous borders of Iraq and providing situational awareness and route planning for Army patrols in stability and support operations. Providing everything from base security for 27 new bases opened by the coalition to the lifeline of supplies that air mobility and air refueling assets bring to all joint forces, Air Force airmen are committed to the successful accomplishment of the U.S. mission in Iraq.

Other Contingency Operations

In 2003, the Air Force remained engaged in America's war on drugs and provided support to NATO ground forces in the Balkans. Since December 1989, Air Force airmen have been an irreplaceable part of the interagency fight against illegal drug and narcotics trafficking. Deployed along the southern U.S., in the Caribbean, and Central and South America, airmen perform this round-the-clock mission, manning nine ground-based radar sites, operating ten

aerostats, and flying counter drug surveillance missions. The Air Force detected, monitored, and provided intercepts on over 275 targets attempting to infiltrate our airspace without clearance. Along with our interagency partners, these operations resulted in 221 arrests and stopped hundreds of tons of contraband from being smuggled into our country.

In the Balkans, airmen are fully committed to completing the mission that they started in the 1990s. Today, Air Force airmen have flown over 26,000 sorties supporting Operations JOINT GUARDIAN and JOINT FORGE. These NATO-led operations combine joint and allied forces to implement the Dayton Peace Accords in Bosnia-Herzegovina and enforce the Military Technical Agreement in Kosovo. At the end of 2003, approximately 800 airmen were supporting NATO's goal of achieving a secure environment and promoting stability in the region.

Additionally, the Air Force engaged in deterrence and humanitarian relief in other regions. While the world's attention was focused on the Middle East in the spring of 2003, our nation remained vigilant against potential adversaries in Asia. The Air Force deployed a bomber wing -- 24 B-52s and B-1s -- to the American territory of Guam to deter North Korea. At the height of OIF, our Air Force demonstrated our country's resolve and ability to defend the Republic of Korea and Japan by surging bomber operations to over 100 sorties in less than three days. This deterrent operation complemented our permanent engagement in Northeast Asia. The 8,300 airmen who are stationed alongside the soldiers, sailors, Marines, and our Korean allies maintained the United Nations armistice, marking 50 years of peace on the peninsula.

Our strength in deterring aggression was matched by our strength in humanitarian action. In response to President Bush's directive to help stop the worsening crisis in Liberia, we deployed a non-combat medical and logistics force to create a lifeline to the American Embassy

and provide hope to the Liberian people. An Expeditionary Group of airmen provided airlift support, aeromedical evacuation, force protection, and theater of communications support. Flying more than 200 sorties, we transported and evacuated civilians and members of the Joint Task Force (JTF) from bases in Sierra Leone and Senegal. The 300 airmen deployed in support of JTF-Liberia reopened the main airport in Monrovia, and ensured the security for U.S. military and civilian aircraft providing relief aid.

Strategic Deterrence

The ability of U.S. conventional forces to operate and project decisive force is built on the foundation of our strategic deterrent force; one that consists of our nuclear-capable aircraft and Intercontinental Ballistic Missile forces, working with the U.S. Navy's Fleet Ballistic Missile Submarines. In 2003, these forces as well as, persistent overhead missile warning sensors and supporting ground-based radars, provided uninterrupted global vigilance deterring a nuclear missile strike against the U.S. or our allies. The dedicated airmen who operate these systems provide the force capability that yields our deterrent umbrella. Should that deterrence fail, they stand ready to provide a prompt, scalable response.

Exercises

The Air Force's success can be attributed to the training, education, and equipment of our airmen. Future readiness of our operations, maintenance, mission support, and medical units will depend on rigorous and innovative joint and coalition training and exercising. This year we are planning 140 exercises with other services and agencies and we anticipate being involved with 103 allied nations. We will conduct these exercises in as many as 45 foreign countries.

Participation ranges from the Joint/Combined command post exercise ULCHI FOCUS LENS with our South Korean partners to the tailored international participation in our FLAG exercises and Mission Employment Phases of USAF Weapons School. From joint search-and-rescue forces in ARCTIC SAREX to Partnership for Peace initiatives, our airmen must continue to take advantage of all opportunities that help us train the way we intend to fight.

In addition to previously designed exercises, recent operations highlighted the need for combat support training. During OEF and OIF, the Air Force opened or improved 38 bases used by joint or coalition forces during combat. Our Expeditionary Combat Support teams established secure, operable airfields in Kyrgyzstan, Uzbekistan, Pakistan, and in Iraq. They also built housing, established communications, and erected dining facilities that are still used by other services and follow-on forces today. To prepare our airmen for these missions, we have created EAGLE FLAG, an Expeditionary Combat Support Field Training Exercise. During this exercise, combat support personnel apply the integrated skills needed to organize and create an operating location ready to receive fully mission capable forces within 72 hours. From security forces and civil engineers to air traffic controllers and logisticians, each airman required to open a new base or improve an austere location will eventually participate in this valuable exercise.

Our ranges and air space are critical joint enablers and vital national assets that allow the Air Force to develop and test new weapons, train forces, and conduct joint exercises. The ability of the Air Force to effectively operate requires a finite set of natural and fabricated resources. Encroachment of surrounding communities onto Air Force resources results in our limited or denied access to, or use of, these resources. We have made it a priority to define and quantify the resources needed to support mission requirements, and to measure and communicate the effects of encroachment on our installations, radio frequency spectrum, ranges, and air space.

We will continue to work with outside agencies and the public to address these issues. The Air Force strongly endorses the Readiness Range and Preservation Initiative. It would make focused legislative changes, protecting the Air Force's operational resources while continuing to preserve our nation's environment.

Lessons for the Future

As we continue combat operations and prepare for an uncertain future, we are examining lessons from our recent experiences. Although we are currently engaged with each of the other services to refine the lessons from OIF, many of the priorities listed in the Fiscal Year 2005 Presidential Budget submission reflect our preliminary conclusions. The Air Force has established a team committed to turning validated lessons into new equipment, new operating concepts, and possibly new organizational structures. Working closely with our joint and coalition partners, we intend to continue our momentum toward an even more effective fighting force.

One of the most important lessons we can draw was envisioned by the authors of the Goldwater-Nichols Act. ONE, OEF, and OIF all validated jointness as the only acceptable method of fighting and winning this nation's wars. In OIF, the mature relationship between the Combined Forces Land Component Commander (CFLCC) and the Combined Forces Air Component Commander (CFACC) led to unprecedented synergies. The CFACC capitalized on these opportunities by establishing coordination entities led by an Air Force general officer in the supported land component headquarters and by maintaining internal Army, Navy, Marine Corps, and coalition officers in his own headquarters. Both of these organizational innovations enabled

commanders to maximize the advantages of mass, lethality, and flexibility of airpower in the area of responsibility.

Another lesson is the Air Force's dependence on the Total Force concept. As stated above, September 11 brought with it a new tempo of operations, one that required both the active duty and Air Reserve Component (ARC) to work in concert to achieve our national security objectives. The synergy of our fully integrated active duty, Air National Guard and Air Force Reserve team provides warfighters with capabilities that these components could not provide alone.

Our reserve component accounts for over one-third of our strike fighters, more than 72 percent of our tactical airlift, 42 percent of our strategic airlift, and 52 percent of our air refueling capability. The ARC also makes significant contributions to our rescue and support missions, and has an increasing presence in space, intelligence, and information operations. In all, the ARC provides a ready force requiring minimum preparation for mobilization. Whether that mobilization is supporting flight or alert missions for ONE, commanding expeditionary wings in combat, or orchestrating the Air Force Special Operations roles in the western Iraqi desert, the ARC will remain critical to achieving the full potential of our air and space power.

A third lesson was validation of the need for air and space superiority. Through recent combat operations, the Air Force maintained its almost 50 year-old record of "no U.S. ground troops killed by enemy air attack." Without having to defend against Iraqi airpower, coalition commanders could focus their combat power more effectively. In addition, air and space superiority allowed airmen to dedicate more sorties in support of the ground scheme of maneuver, substantially reducing enemy capability in advance of the land component.

We also need to continue to advance integration and planning -- integration of service capabilities to achieve JFC objectives, interagency integration to fight the war on terrorism, and information integration. Integration of manned, unmanned and space sensors, advanced command and control, and the ability to disseminate and act on this information in near-real time will drive our combat effectiveness in the future. Shared through interoperable machine-to-machine interfaces, this data can paint a picture of the battlespace where the sum of the wisdom of all sensors will end up with a cursor over the target for the operator who can save the target, study the target, or destroy the target.

Finally, there are three general areas for improvement we consider imperative: battle damage assessment, fratricide prevention/combat identification, and equipping our battlefield airmen. First, battle damage assessment shapes the commander's ability for efficient employment of military power. Restriking targets that have already been destroyed, damaged, or made irrelevant by rapid ground force advances wastes sorties that could be devoted to other coalition and joint force objectives. Advances in delivery capabilities of our modern fighter/attack aircraft and bombers mean that ISR assets must assess more targets per strike than ever before. Precision engagement requires precision location, identification, and precision assessment. Although assets like the Global Hawk, Predator, U-2, Senior Scout, and Rivet Joint are equipped with the latest collection technology, the Air Force, joint team, and Intelligence Community must work to ensure that combat assessments produce timely, accurate, and relevant products for the warfighters.

We are also improving operational procedures and technology to minimize incidents of fratricide or "friendly fire." In OIF, major steps toward this goal resulted from technological solutions. Blue Force Tracker and other combat identification systems on many ground force

vehicles allowed commanders situational awareness of their forces and enemy forces via a common operational picture. Still, not all joint or coalition forces are equipped with these technological advances. We are pursuing Fire Support Coordination Measures that capitalize on the speed and situational awareness digital communications offer rather than analog voice communications and grease pencils.

A third area we are actively improving is the effectiveness of the airmen who are embedded with conventional land or Special Forces. With assured access to Air Force datalinks and satellites, these "Battlefield Airmen" can put data directly into air-land-sea weapon systems and enable joint force command and control. We have made great progress in producing a Battlefield Air Operations Kit that is 70% lighter, with leading-edge power sources; one that will increase the combat capability of our controllers. This battle management system will reduce engagement times, increase lethality and accuracy, and reduce the risk of fratricide. This capability is based upon the good ideas of our airmen who have been in combat and understand how much a single individual on the battlefield can contribute with the right kit.

Summary

The airmen of America's Air Force have demonstrated their expertise and the value of their contributions to the joint and coalition fight. These combat operations are made possible by Air Force investments in realistic training and education, superior organization, advanced technology, and innovative tactics, techniques, and procedures. In the future, our professional airmen will continue to focus advances in these and other areas guided by the Air Force CONOPS. Their charter is to determine the appropriate capabilities required for joint warfighting and to provide maximum effects from, through, and in air and space. This structure

and associated capabilities-based planning will help airmen on their transformational journey, ensuring continued operational successes such as those demonstrated in 2003.

ENSURING AMERICA'S FUTURE AIR AND SPACE DOMINANCE

Air Force lethality, mobility, speed, precision, and the ability to project U.S. military power around the globe provide Combatant Commanders the capabilities required to meet the nation's military requirements and dominate our enemies. Consistent with the DoD's focus on Joint Operating Concepts, we will continue to transform our force -- meeting the challenges of this era, adapting our forces and people to them, and operating our service efficiently. We will adopt service concepts and capabilities that support the joint construct and capitalize on our core competencies. To sustain our dominance, we develop professional airmen, invest in warfighting technology, and integrate our people and systems together to produce decisive joint warfighting capabilities.

DEVELOPING AIRMEN -- RIGHT PEOPLE, RIGHT PLACE, RIGHT TIME

At the heart of our combat capability are the professional airmen who voluntarily serve the Air Force and our nation. Our airmen turn ideas, tools, tactics, techniques, and procedures into global mobility, power projection, and battlespace effects. Our focus for the ongoing management and development of Air Force personnel will be to: define, renew, develop, and sustain the force.

Defining our Requirements

To meet current and future requirements, we need the right people in the right specialties. The post-September 11 environment has taxed our equipment and our people, particularly those associated with force protection, ISR, and the buildup and sustainment of expeditionary operations. Our analysis shows that we need to shift manpower to stressed career fields to meet

the demands of this new steady state, and we are in the process of doing this. We have realigned personnel into our most stressed specialties and hired additional civilians and contractors to free military members to focus on military specific duties. We have also made multi-million dollar investments in technology to reduce certain manpower requirements. We have redirected our training and accession systems and have cross-trained personnel from specialties where we are over strength to alleviate stressed career fields, supporting the Secretary of Defense's vision of moving forces "from the bureaucracy to the battlefield."

Since 2001, we've exceeded our congressionally mandated end strength by more than 16,000 personnel. In light of the global war on terrorism and OIF, DoD allowed this overage, but now we need to get back to our mandated end strength. We are addressing this issue in two ways: first, by reducing personnel overages in most skills; and second, by shaping the remaining force to meet mission requirements. To reduce personnel, we will employ a number of voluntary tools to restructure manning levels in Air Force specialties, while adjusting our active force size to the end strength requirement. As we progress, we will evaluate the need to implement additional force shaping steps.

We are also reviewing our ARC manpower to minimize involuntary mobilization of ARC forces for day-to-day, steady state operations while ensuring they are prepared to respond in times of crisis. Since September 11, 2001, we've mobilized more than 62,000 people in over 100 units, and many more individual mobilization augmentees. Today, 20 percent of our AEF packages are comprised of citizen airmen, and members of the Guard or Reserve conduct 89 percent of ONE missions. We recognize this is a challenge and are taking steps to relieve the pressure on the Guard and Reserve.

In FY05, we plan to redistribute forces in a number of mission areas among the Reserve and Active components to balance the burden on the Reserves. These missions include our Air and Space Operations Centers, remotely piloted aircraft systems, Combat Search and Rescue, Security Forces, and a number of high demand global mobility systems. We are working to increase ARC volunteerism by addressing equity of benefits and tour-length flexibility, while addressing civilian employer issues. We are also looking at creating more full-time positions to reduce our dependency on involuntary mobilization.

We are entering the second year of our agreement to employ Army National Guard soldiers for Force Protection at Air Force installations, temporarily mitigating our 8,000 personnel shortfall in Security Forces. As we do this, we are executing an aggressive plan to rapidly burn down the need for Army augmentation and working to redesign manpower requirements. Our reduction plan maximizes the use of Army volunteers in the second year, and allows for demobilization of about one third of the soldiers employed in the first year.

Future Total Force

Just as in combat overseas, we are continuing to pursue seamless ARC and active duty integration at home, leveraging the capabilities and characteristics of each component, while allowing each to retain their cultural identity. We continue to explore a variety of organizational initiatives to integrate our active, Guard, and Reserve forces. These efforts are intended to expand mission flexibility, create efficiencies in our Total Force, and prepare for the future. Today's Future Total Force team includes a number of blended or associate units that are programmed or are in use. The creation of the "blended" unit, the 116th Air Control Wing at Robins Air Force Base, Georgia, elevated integration to the next level. With an initial deployment of over 730

personnel, and significant operational achievements in OIF, we are now examining opportunities to integrate active, Guard, and Reserve units elsewhere in order to produce even more measurable benefits, savings, and efficiencies.

The reasons for this type of integration are compelling. We can maximize our warfighting capabilities by integrating active, Guard, and Reserve forces to optimize the contributions of each component. Reservists and Guardsmen bring with them capabilities they have acquired in civilian jobs, leveraging the experience of ARC personnel. Integration relieves PERSTEMPO on the active duty force. Because ARC members do not move as often, they provide corporate knowledge, stability, and continuity. Finally, integration enhances the retention of airmen who decide to leave active service. Because the Guard and Reserve are involved in many Air Force missions, we recapture the investment we've made by retaining separating active duty members as members of the ARC.

Renewing the Force

To renew our force, we target our recruitment to ensure a diverse force with the talent and drive to be the best airmen in the world's greatest Air Force. We will recruit those with the skills most critical for our continued success. In FY03, our goal was 5,226 officers and 37,000 enlisted; we exceeded our goal in both categories, accessing 5,419 officers and 37,144 enlisted. For FY04, we plan to access 5,795 officers and 37,000 enlisted.

In the Air Force, the capabilities we derive from diversity are vital to mission excellence and at the core of our strategy to maximize our combat capabilities. In this new era, successful military operations demand much greater agility, adaptability, and versatility to achieve and sustain success. This requires a force comprised of the best our nation has to offer, from every

segment of society, trained and ready to go. Our focus is building a force that consists of men and women who possess keener international insight, foreign language proficiency, and wide-ranging cultural acumen. Diversity of life experiences, education, culture, and background are essential to help us achieve the asymmetric advantage we need to defend America's interests wherever threatened. Our strength comes from the collective application of our diverse talents, and is a critical component of the air and space dominance we enjoy today. We must enthusiastically reach out to all segments of society to ensure the Air Force offers a welcoming career to the best and brightest of American society, regardless of their background. By doing so, we attract people from all segments of society and tap into the limitless talents resident in our diverse population.

In addition to a diverse force, we also need the correct talent mix. We remain concerned about recruiting health care professionals and individuals with technical degrees. To meet our needs, we continue to focus our efforts to ensure we attract and retain the right people. We will also closely monitor ARC recruitment. Historically, the Air National Guard and Air Force Reserve Command access close to 25 percent of eligible, separating active duty Air Force members with no break in service between their active duty and ARC service.

Developing the Force

Over the past year, we implemented a new force development construct in order to get the right people in the right job at the right time with the right skills, knowledge, and experience. Force development combines focused assignments and education and training opportunities to prepare our people to meet the mission needs of our Air Force. Rather than allowing chance and happenstance to guide an airman's experience, we will take a deliberate approach to develop

officers, enlisted, and civilians throughout our Total Force. Through targeted education, training, and mission-related experience, we will develop professional airmen into joint force warriors with the skills needed across the tactical, operational, and strategic levels of conflict. Their mission will be to accomplish the joint mission, motivate teams, mentor subordinates, and train their successors.

A segment of warriors requiring special attention is our cadre of space professionals, those that design, build, and operate our space systems. As military dependence on space grows, the Air Force continues to develop this cadre to meet our nation's needs. Our Space Professional Strategy is the roadmap for developing that cadre. Air Force space professionals will develop more in-depth expertise in operational and technical space specialties through tailored assignments, education, and training. This roadmap will result in a team of scientists, engineers, program managers, and operators skilled and knowledgeable in developing, acquiring, applying, sustaining, and integrating space capabilities.

Sustaining the Force

The Air Force is a retention-based force. Because the skill sets of our airmen are not easily replaced, we expend considerable effort to retain our people, especially those in high-technology fields and those in whom we have invested significant education and training. In 2003, we reaped the benefits of an aggressive retention program, aided by a renewed focus and investment on education and individual development, enlistment and retention bonuses, targeted military pay raises, and quality of life improvements. Our FY03 enlisted retention statistics tell the story. Retention for first term airmen stood at 61%, exceeding our goal by 6%. Retention for our second term and career airmen was also impressive, achieving 73% and 95%

respectively. Continued investment in people rewards their service, provides a suitable standard of living, and enables us to attract and retain the professionals we need.

One of the highlights of our quality of life focus is housing investment. Through military construction and housing privatization, we are providing quality homes faster than ever before. Over the next three years, the Air Force will renovate or replace more than 40,000 homes through privatization. At the same time, we will renovate or replace an additional 20,000 homes through military construction. With the elimination of out-of-pocket housing expenses, our Air Force members and their families now have three great options -- local community housing, traditional military family housing, and privatized housing.

Focus On Fitness

We recognize that without motivated and combat-ready expeditionary airmen throughout our Total Force, our strategies, advanced technologies, and integrated capabilities would be much less effective. That is why we have renewed our focus on fitness and first-class fitness centers. We must be fit to fight. And that demands that we reorient our culture to make physical and mental fitness part of our daily life as airmen. In January 2004, our new fitness program returned to the basics of running, sit-ups, and pushups. The program combines our fitness guidelines and weight/body fat standards into one program that encompasses the total health of an airman.

TECHNOLOGY-TO-WARFIGHTING

The Air Force has established a capabilities-based approach to war planning, allowing us to focus investments on those capabilities we need to support the joint warfighter. This type of

planning focuses on capabilities required to accomplish a variety of missions and to achieve desired effects against any potential threats. Our capabilities-based approach requires us to think in new ways and consider combinations of systems that create distinctive capabilities.

Effects Focus: Capabilities-Based CONOPS

The Air Force has written six CONOPS that support capabilities-based planning and the joint vision of combat operations. The CONOPS help analyze the span of joint tasks we may be asked to perform and define the effects we can produce. Most important, they help us identify the capabilities an expeditionary force will need to accomplish its mission, creating a framework that enables us to shape our portfolio.

- **Homeland Security CONOPS** leverages Air Force capabilities with joint and interagency efforts to prevent, protect, and respond to threats against our homeland -- within or beyond U.S. territories.
- **Space and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance CONOPS (Space and C4ISR)** harnesses the integration of manned, unmanned, and space systems to provide persistent situation awareness and executable decision-quality information to the JFC.
- **Global Mobility CONOPS** provides Combatant Commanders with the planning, command and control, and operations capabilities to enable timely and effective projection, employment, and sustainment of U.S. power in support of U.S. global interests -- precision delivery for operational effect.

- **Global Strike CONOPS** employs joint power-projection capabilities to engage anti-access and high-value targets, gain access to denied battlespace, and maintain battlespace access for required joint/coalition follow-on operations.
- **Global Persistent Attack CONOPS** provides a spectrum of capabilities from major combat to peacekeeping and sustainment operations. Global Persistent Attack assumes that once access conditions are established (i.e. through Global Strike), there will be a need for persistent and sustained operations to maintain air, space, and information dominance.
- **Nuclear Response CONOPS** provides the deterrent “umbrella” under which conventional forces operate, and, if deterrence fails, avails a scalable response.

This CONOPS approach has resulted in numerous benefits, providing:

- Articulation of operational capabilities that will prevail in conflicts and avert technological surprises;
- An operational risk and capabilities-based programmatic decision-making focus;
- Budgeting guidance to the Air Force Major Commands for fulfilling capabilities-based solutions to satisfy warfighter requirements;
- Warfighter risk management insights for long-range planning.

Modernization and Recapitalization

Through capabilities-based planning, the Air Force will continue to invest in our core competency of bringing technology to the warfighter that will maintain our technical advantage and update our air and space capabilities. The Capabilities Review and Risk Assessment

(CRRRA) process guides these efforts. Replacing an outdated threat-based review process that focused on platforms versus current and future warfighting effects and capabilities, our extensive two-year assessment identified and prioritized critical operational shortfalls we will use to guide our investment strategy. These priorities present the most significant and immediate Air Force-wide capability objectives.

We need to field capabilities that allow us to reduce the time required to find, fix, track and target fleeting and mobile targets and other hostile forces. One system that addresses this operational shortfall is the F/A-22 Raptor. In addition to its contributions to obtaining and sustaining air dominance, the F/A-22 will allow all weather, stealthy, precision strike 24 hours a day, and will counter existing and emerging threats, such as advanced surface-to-air missiles, cruise missiles, and time sensitive and emerging targets, including mobile targets, that our legacy systems cannot. The F/A-22 is in low rate initial production and has begun Phase I of its operational testing. It is on track for initial operational capability in 2005. A complementary capability is provided by the F-35 Joint Strike Fighter, providing sustainable, focused CAS and interservice and coalition commonality.

We also recognize that operational shortfalls exist early in the kill chain and are applying technologies to fill those gaps. A robust command, control, and sensor portfolio combining both space and airborne systems, along with seamless real-time communications, will provide additional critical capabilities that address this shortfall while supporting the Joint Operational Concept of full spectrum dominance. Program definition and risk reduction efforts are moving us towards C4ISR and Battle Management capabilities with shorter cycle times. The JFC will be able to respond to fleeting opportunities with near-real time information and will be able to bring to bear kill-chain assets against the enemy. Additionally, in this world of proliferating cruise

missile technology, our work on improving our C4ISR capabilities -- including airborne Active Electronically Scanned Array or AESA radar technology -- could pay large dividends, playing a significant role in America's defense against these and other threats. To create this robust command and control network, we will need a flexible and digital multi-service communications capability. We are well on our way in defining the architecture to make it a reality. The capabilities we are pursuing directly support the Department's transformational system of interoperable joint C4ISR.

There is a need for a globally interconnected capability that collects, processes, stores, disseminates, and manages information on demand to warfighters, policy makers, and support people. The C2 Constellation, our capstone concept for achieving the integration of air and space operations, includes these concepts and the future capabilities of the Global Information Grid, Net Centric Enterprise Services, Transformational Communications, the Joint Tactical Radio System, and airborne Command, Control, and Communication assets, among others.

One of the elements of a sensible strategy to maintain U.S. power projection capabilities derives from a global aerial refueling fleet that serves Air Force, Navy, Marine Corps and coalition aircraft. Our current fleet of aging tankers met the challenges of OEF and OIF but is increasingly expensive to maintain. The fleet averages more than 40 years of age, and the oldest model, the KC-135E, goes back to the Eisenhower Administration. Recapitalization for this fleet of over 540 aerial refueling aircraft will clearly take decades to complete and is vital to the foundation and global reach of our Air Force, sister services, and coalition partners. The Air Force is committed to an acquisition approach for this program that will recapitalize the fleet in the most affordable manner possible.

Capabilities-driven modernization and recapitalization efforts are also taking place on our space systems, as we replace constellations of satellites and ground systems with next generation capabilities. The Evolved Expendable Launch Vehicle has completed six successful launches. Using two launch designs, we will continue to seek responsive, assured access to space for government systems. Space-Based Radar will provide a complementary capability to our portfolio of radar and remote sensing systems. We will employ internet protocol networks and high-bandwidth lasers in space to transform communications with the Transformational Satellite, dramatically increasing connectivity to the warfighter. Modernization of GPS and development of the next-generation GPS III will enhance navigation capability and increase our resistance to jamming. In partnership with NASA and the Department of Commerce, we are developing the National Polar-orbiting Operational Environmental Satellite System, which offers next-generation meteorological capability. Each of these systems supports critical C4ISR capabilities that give the JFC increased technological and asymmetric advantages.

Space control efforts, enabled by robust space situation awareness, will ensure unhampered access to space-based services. Enhanced space situation awareness assets will provide the information necessary to execute an effective space control strategy. However, we must be prepared to deprive an adversary of the benefits of space capabilities when American interests and lives are at stake.

Additional capability does not stem solely from new weapon system acquisitions. It results from innovative modernization of our existing systems. One example is incorporating a Smart Bomb Rack Assembly and the 500-lb version of the Joint Direct Attack Munition into the weapons bay of the B-2. In September of 2003, we demonstrated that the B-2 bomber is now able to release up to 80 separately targeted, GPS-guided weapons in a single mission. This kind

of innovation reduces the number of platforms that must penetrate enemy airspace while holding numerous enemy targets at risk. The second order consequences run the gamut from maintenance to support aircraft.

We will also address the deficiencies in our infrastructure through modernization and recapitalization. Improvements to our air and space systems will be limited without improvements in our foundational support systems. Deteriorated airfields, hangars, waterlines, electrical networks, and air traffic control approach and landing systems are just some of the infrastructure elements needing immediate attention. Our investment strategy focuses on three simultaneous steps: disposing of excess facilities; sustaining our facilities and infrastructure; and establishing a sustainable investment program for future modernization of our facilities and infrastructure.

Finally, we need to continue to modernize and recapitalize our information technology infrastructure. To leverage our information superiority, the Air Force is pursuing a modernization strategy and information technology investments, which target a common network infrastructure and employ enterprise services and shared capabilities.

Science and Technology (S&T)

Our investment in science and technology has and continues to underpin our modernization and recapitalization program. Similar to our applied-technology acquisition efforts, the Air Force's capability-based focus produces an S&T vision that supports the warfighter.

The Air Force S&T program fosters development of joint warfighting capabilities and integrated technologies, consistent with DoD and national priorities. We will provide a long-

term, stable investment in S&T in areas that will immediately benefit existing systems and in transformational technologies that will improve tomorrow's Air Force. Many Air Force S&T programs, such as directed energy, hypersonics, laser-based communications, and the emerging field of nanotechnology, show promise for joint warfighting capabilities. Other technology areas, such as miniaturization of space platforms and space proximity operations, also show promise in the future. Through developments like these, the Air Force S&T program will advance joint warfighting capabilities and the Air Force vision of an integrated air and space force capable of responsive and decisive global engagement.

Capabilities-Based Acquisition/Transforming Business Practices

To achieve our vision of a flexible, responsive, and capabilities-based expeditionary force, we are transforming how we conceive, plan, develop, acquire, and sustain weapons systems. Our Agile Acquisition initiative emphasizes speed and credibility; we must deliver what we promise -- on time and on budget. Our goal is to deliver affordable, sustainable capabilities that meet joint warfighters' operational needs.

We continue to improve our acquisition system -- breaking down organizational barriers, changing work culture through aggressive training, and reforming processes with policies that encourage innovation and collaboration.

Already, we are:

- **Realigning our Program Executive Officers (PEOs).** By moving our PEOs out of Washington and making them commanders of our product centers, we have aligned both acquisition accountability and resources under our most experienced general officers and acquisition professionals.

- **Creating a culture of innovation.** Because people drive the success of our Agile Acquisition initiatives, we will focus on enhanced training. Laying the foundation for change, this past year 16,500 Air Force acquisition professionals, and hundreds of personnel from other disciplines, attended training sessions underscoring the need for collaboration, innovation, reasonable risk management, and a sense of urgency in our approach.
- **Reducing Total Ownership Costs.** With strong support from the Secretary of Defense, we will expand the Reduction in Total Ownership Cost program with a standard model ensuring that we have accurate metrics.
- **Moving technology from the lab to the warfighter quickly.** Laboratories must focus on warfighter requirements and researchers need to ensure technologies are mature, producible, and supportable. Warfighters will work with scientists, acquisition experts, and major commands to identify gaps in capabilities. With help from Congress, we have matured our combat capability document process to fill those gaps. During OIF, we approved 37 requests for critically needed systems, usually in a matter of days.
- **Tailoring acquisition methods for space systems.** In October 2003, we issued a new acquisition policy for space systems that will improve acquisitions by tailoring acquisition procedures to the unique demands of space systems.

Transformation of our business processes is not limited to acquisition activities. Our Depot Maintenance Strategy and Master Plan calls for financial and infrastructure capitalization to ensure Air Force hardware is safe and ready to operate across the threat spectrum. Our increased funding for depot facilities and equipment modernization in FY04-09, along with public-private partnerships, will result in more responsive support to the JFC. We expect to maximize

production and throughput of weapon systems and commodities that will improve mission capability.

Our logistics transformation initiative will revolutionize logistics processes to improve warfighter support and reduce costs. The goal of the Air Force's logistics transformation program, Expeditionary Logistics for the 21st Century, is to increase weapon system availability by 20% with zero cost growth. Our current initiatives -- depot maintenance transformation, purchasing and supply chain management, regionalized intermediate repair, and improved logistics command and control -- will transform the entire logistics enterprise.

Our depots have put some of these initiatives into place with exceptional results. In FY03, our depot maintenance teams were more productive than planned, exceeding aircraft, engine, and commodity production goals and reducing flow days in nearly all areas. Implementation of "lean" production processes, optimized use of the existing workforce, and appropriate funding, all contributed to this good news story. In addition, our spares support to the warfighter is at record high numbers. In 2003, supply rates and cannibalization rates achieved their best performance since FY94 and FY95, respectively. Fourteen of twenty aircraft design systems improved their mission capable rates over the previous year, with Predator unmanned aerial vehicles improving by 11%, and B-1 bombers achieving the best mission capable and supply rates in its history. Thanks to proper funding, fleet consolidation, and transformation initiatives, spare parts shortages were reduced to the lowest levels recorded across the entire fleet.

Financing the Fight

An operating strategy is only as good as its financing strategy. And similar to acquisition, logistics, and other support processes, our finance capabilities are strong. We are taking deliberate and aggressive steps to upgrade our financial decision support capability and reduce the cost of delivering financial services. Our focus is on support to our airmen, strategic resourcing and cost management, and information reliability and integration. The initiatives that will get us there include self-service web-based pay and personnel customer service, seamless e-commerce for our vendor payment environment, budgets that link planning, programming, and execution to capabilities and performance, financial statements that produce clean audit opinions while providing reliable financial and management information, and innovative financing strategies.

INTEGRATING OPERATIONS

The Air Force excels at providing communications, intelligence, air mobility, precision strike, and space capabilities that enable joint operations. Our airmen integrate these and other capabilities into a cohesive system that creates war-winning effects. Integration takes place at three levels. At the joint strategic level, integration occurs between interagencies and the coalition. Integration also takes place within the Air Force at an organizational level. At its most basic level, integration takes place at the machine-to-machine level to achieve universal information sharing which facilitates true integration at every level.

Integrating Joint, Coalition, and Interagency Operations

The ever-changing dynamics of global events will drive the need to integrate DoD and interagency capabilities and, in most cases, those of our coalition partners. Joint solutions are

required to produce warfighting effects with the speed that the Global War on Terrorism demands. Fully integrated operations employ only the right forces and capabilities necessary to achieve an objective in the most efficient manner. We must also integrate space capabilities for national intelligence and warfighting.

We are pursuing adaptations of our C2 organizations and capabilities to support this vision. While the Air Force's global C2 structure has remained relatively constant, throughout our 57-year history, the demands of a changing geopolitical environment have stressed current C2 elements beyond their design limits.

We have conducted an extensive review of our C2 structures to support the National Security Strategy objectives of assure, dissuade, deter, and defeat as well as the SECDEF's Unified Command Plan. We will enhance our support for the JFC and our expeditionary posture through a new Warfighting Headquarters Construct. This will enable the Numbered Air Forces to support Unified Combatant Commanders in a habitual supported-supporting relationship. Working with their strategy and planning cells on a daily basis will ensure that Air Force capabilities are available to the JFC's warfighting staff. This new headquarters will provide the Combined Air Operations Center (CAOC) with sufficient staff to focus on planning and employment of air, space, and information operations throughout the theater.

We are also adapting the capabilities of our CAOCs. The CAOCs of each headquarters will be interconnected with the theater CAOCs, all operating 24 hours a day, seven days a week. They will be operated as a weapons system, certified and standardized, and have cognizance of the entire air and space picture. This reorganization will increase our ability to support our Combatant Commanders, reduce redundancies, and deliver precise effects to the warfighters. As we near completion of the concept development, we will work with the Secretary of Defense and

the Congress to implement a more streamlined and responsive C2 component for the Combatant Commanders and national leadership.

Integrated operations also depend on integrated training. We continue to advance joint and combined interoperability training with our sister services and the nations with which we participate in global operations. The Joint National Training Capability (JNTC) will improve our opportunities for joint training. The aim of the JNTC is to improve each service's ability to work with other services at the tactical level and to improve joint planning and execution at the operational and strategic levels. The Air Force has integrated live, virtual, and constructive training environments into a single training realm using a distributed mission operations (DMO) capability. JNTC will use this DMO capability to tie live training events with virtual (man-in-the-loop) play and constructive simulations. Live training in 2004 -- on our ranges during four Service-conducted major training events -- will benefit from improved instrumentation and links to other ranges as well as the ability to supplement live training with virtual or constructive options. These types of integrated training operations reduce overall costs to the services while providing us yet another avenue to train like we fight.

Integrating Within the Air Force

The Air Force is continuing to strengthen and refine our AEF. The AEF enables rapid build-up and redeployment of air and space power without a lapse in the Air Force's ability to support a combatant commander's operations. The Air Force provides forces to Combatant Commanders according the AEF Presence Policy (AEFPP), the Air Force portion of DoD's Joint Presence Policy. There are ten AEFs, and each AEF provides a portfolio of capabilities and force modules. At any given time, two AEFs are postured to immediately provide these

capabilities. The other eight are in various stages of rest, training, spin-up, or standby. The AEF is how the Air Force organizes, trains, equips, and sustains responsive air and space forces to meet defense strategy requirements outlined in the Strategic Planning Guidance.

Within the AEF, Air Force forces are organized and presented to Combatant Commanders as Air and Space Expeditionary Task Forces (AETFs). They are sized to meet the combatant commander's requirements and may be provided in one of three forms: as an Air Expeditionary Wing (AEW), Group (AEG), and/or Squadron (AES). An AETF may consist of a single AEW or AEG, or may consist of multiple AEWs or AEGs and/or as a Numbered Expeditionary Air Force. AETFs provide the functional capabilities (weapon systems, expeditionary combat support and command and control) to achieve desired effects in an integrated joint operational environment.

One of our distinctive Air Force capabilities is Agile Combat Support (ACS.) To provide this capability, our expeditionary combat support forces -- medics, logisticians, engineers, communicators, Security Forces, Services, and Contracting, among several others -- provide a base support system that is highly mobile, flexible, and fully integrated with air and space operations. ACS ensures responsive expeditionary support to joint operations is achievable within resource constraints -- from creation of operating locations to provision of right-sized forces. An example of this capability is the 86th Contingency Response Group (CRG) at Ramstein Air Base, organized, trained, and equipped to provide an initial "Open the Base" force module to meet Combatant Commander requirements. The CRG provides a rapid response team to assess operating location suitability and defines combat support capabilities needed to establish air expeditionary force operating locations.

Another example of ACS capability is the light and lean Expeditionary Medical System (EMEDS) that provides the U.S. military's farthest forward care and surgical capability. Air Force medics jump into the fight alongside the very first combatants. Whether supporting the opening of an air base or performing life saving surgeries, these medics bring an extraordinary capability. They carry backpacks with reinforced medical equipment, permitting them to perform medical operations within minutes of their boots hitting the ground. Complementing this expeditionary medical capability is our air evacuation system that provides the lifeline for those injured personnel not able to return to duty. The other services and our allies benefited greatly from this capability in OEF and OIF. The Army and Navy are now developing a similar light and lean capability. The success of EMEDS is also apparent in the reduction of disease and non-battle injuries -- the lowest ever in combat.

Horizontal Machine-to-Machine Integration

We also strive to increasingly integrate operations at the most basic level -- electron to electron. Victory belongs to those who can collect intelligence, communicate information, and bring capabilities to bear first. Executing these complex tasks with accuracy, speed, and power requires assured access and the seamless, horizontal integration of systems, activities and expertise across all manned, unmanned, and space capabilities. Such integration will dramatically shorten the kill chain.

Machine-to-machine integration means giving the warfighter the right information at the right time. It facilitates the exchange of large amounts of information, providing every machine the information it needs about the battlespace and an ability to share that information. In the future, we will significantly reduce the persistent challenges of having different perspectives or

pictures of the battlefield. Examples would be to ensure that the A-10 could see the same target as the Predator or to guarantee that the F-15 has the same intelligence about enemy radars as the Rivet Joint.

We want a system where information is made available and delivered without regard to the source of the information, who analyzed the information, or who disseminated the information. It is the end product that is important, not the fingers that touch it. The culmination of the effort is the cursor over the target. It is an effect we seek, and what we will provide.

The warfighters' future success will depend on Predictive Battlespace Awareness (PBA). PBA relies on in-depth study of an adversary before hostilities begin in order to anticipate his actions to the maximum extent possible. We can then analyze information to assess current conditions, exploit opportunities, anticipate future actions, and act with a degree of speed and certainty unmatched by our adversaries. PBA also relies on the ability of air and space systems to integrate information at the machine-to-machine level and produce high-fidelity intelligence that results in a cursor over the target. The result -- integrated operations -- is our unique ability to conduct PBA and impact the target at the time and place of our choosing. This machine-to-machine integration will include a constellation of sensors that create a network of information providing joint warfighters the information and continuity to see first, understand first, and act first.

The C2 Constellation is the Air Force capstone concept for achieving the integration of air and space operations. Our vision of the C2 Constellation is a robust, protected network infrastructure, a globally based command and control system to encompass all levels of the battle and allow machines to do the integration and fusion. It uses Battle Management Command and Control & Connectivity and consists of command centers, sensors, and systems like the U-2,

Space Based Radar, the Distributed Common Ground System, and our CAOCs. Given the C2 Constellation's complexity, the Air Force recognizes the need for an architecture to address myriad integration issues -- methodically -- so all elements work in concert.

SECURING AMERICA'S NEXT HORIZON

Armed with the heritage of air and space power in combat, the lessons learned from our most recent conflicts, and the powerful advances in technology in the 21st century, we stand ready to deliver decisive air and space power in support of our nation. Whether called to execute a commanding show of force, to enable the joint fight, to deliver humanitarian assistance, or to protect our nation from the scourge of terrorism, we will deliver the effects required. Our ability to consistently answer the call is our dividend to the nation, a result of our sustained investment in people, technology, and integration.

Our portfolio of advantages provides dividends on the battlefield. We bring to bear a diversified collection of capabilities, which answer the needs of a spectrum of combat and humanitarian operations. As one would with any investment, we will monitor, maintain, and adjust our investments as needed to reflect the demands of a dynamic environment. Transformational initiatives in the way we organize, train, and equip reflect such adjustments, changes that will result in significant gains for our force, for the joint team, and for our nation. Yet, we will not shift our focus from the core competencies that have provided the foundation for our success and continue to do so. The success of the Air Force resides in the airmen who employ the technology of warfighting through integrated operations with our joint and coalition partners. This is our heritage and our future. This is America's Air Force.

**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

FEBRUARY 26, 2004



QUESTIONS SUBMITTED BY MR. HUNTER

The CHAIRMAN. Another thing we have done is we have moved, as I understand, a lot of our systems have been moved back to the United States to be "reset;" that is, to be fixed and maintained. We could move maintenance crews into theater and maintain them there.

Just looking at this thing and in the briefings that I have had and the information I have got, my feeling is you have a little bit of a disconnect right now between the folks that need this stuff in theater. They would not be telling us they needed it if it was all there and it was three bags full. It is not three bags full.

Secretary ROCHE. Mr. Chairman, the MQ/RQ-1 Predator fleet consists of 58 aircraft. The status and breakout on the locations of the MQ/RQ-1 Predator fleet, as of 26 February 2004, are as follows:

-21 aircraft (4 RQ-1s and 17 MQ-1s) are currently Air Combat Command (ACC) OCONUS assigned aircraft deployed in support of on-going Operations ENDURING FREEDOM and IRAQI FREEDOM in the CENTCOM AOR.

-11 aircraft (2 RQ-1 and 9 MQ-1s) are currently ACC CONUS assigned aircraft where 1 RQ-1 and 6 MQ-1s are supporting pilot and sensor operator training at the Formal Training Unit at Indian Springs Air Force Auxiliary Field (AFAF), NV; 1 RQ-1 and 1 MQ-1 are supporting maintenance specialty training at the Field Training Detachment at Nellis AFB, NV; and 2 MQ-1s are supporting operational test and evaluation requirements at Indian Springs AFAF, NV.

-26 aircraft (8 RQ-1s and 18 MQ-1s) are currently Air Force Materiel Command CONUS assigned aircraft where 2 RQ-1s and 4 MQ-1s are supporting hardware and software development, integration, and regression testing at the El Mirage and Grey Butte, CA facilities; 2 MQ-1s are supporting technical order development for the current Block 10 configuration at Rancho Bernardo, CA; 4 MQ-1s are being prepared for shipment to theater in support of on-going operations; 2 MQ-1s are being prepared for delivery to ACC for initial Block 10 operational evaluations; 3 RQ-1s and 1 MQ-1 are currently undergoing depot repair at the contractor's facilities; 5 MQ-1s are currently undergoing retrofit modifications at the contractor's facilities; and the 3 original RQ-1 Advanced Concept Technology Demonstration aircraft interim residuals are in long-term storage at the contractor's facilities.

The CHAIRMAN. Okay. Let's follow this up. We do not want to take up the entire time on this issue. But this is the issue of life and death right now, in theater. Your focus on this is greatly needed.

That SAR system that is at Yuma, as I understand, SAR/Predator, could be in theater in a couple of weeks. Tests are over. I think we need to be able to reestablish what I think we had during the Baghdad phase, which was, I think, a close cooperation and coordination between the ground guys and your folks.

Secretary ROCHE. Mr. Chairman, the Synthetic Aperture Radar (SAR) system I believe you are inquiring about is the Lynx SAR system. This radar is being evaluated as a possible radar for the MQ-9 Predator B system and its Hunter-Killer mission. The Air Force is currently involved in the initial phases of the system development and demonstration of this aircraft's capabilities and it is not currently an operationally deployable aircraft.

The Air Force has, however, entered into a Cooperative Research and Development Agreement (CRADA) with General Atomics-Aeronautical Systems Incorporated (GA-ASI) to allow the use of one pre-production YMQ-9 Predator B aircraft for internal research and development. Under the CRADA, the Department of Homeland Security (DHS), in cooperation with GA-ASI, conducted a series of missions for their Operation SAFEGUARD. A YMQ-9 Predator B aircraft equipped with the Lynx SAR operated in the Gila Bend Range Complex demonstrating its ability to assist law enforcement with its ground moving targets indicator and coherent change detection capabilities in a variety of day/night/all-weather conditions. The demonstration was declared successful after 14 missions and 109 flight hours.

Subsequently, since the MQ-9 Predator B aircraft are not deployable and the Lynx SAR is available (Air Force has begun taking delivery of the sensor at a rate of one per month starting in January 2004), the Air Force entered into a loan agreement with the Army to supply three Lynx SAR sensors for their recent acquisition

of GAASI built I-GNAT Extended Range (ER) Unmanned Aerial Vehicles (UAVs). The Lynx SAR loan agreement, coupled with the Army's I-GNAT ER deliveries, satisfies an Army urgent need for a persistent surveillance system that includes SAR/Ground Moving Target Indicator (GMTI) capability. The loan agreement is outlined as a three-month duration but not to exceed one year.

QUESTIONS SUBMITTED BY MR. SPRATT

Mr. SPRATT. Secretary Roche and General Jumper, Desert Storm was a revolution in Airpower. The use of Joint Direct Attack Munitions and the B-2 further revolutionized Airpower. We still marvel at the use of Unmanned Aerial Vehicles, related space technology and Precision Guided Munitions during Operation ENDURING FREEDOM and Operation IRAQI FREEDOM. Federally funded research and development centers have played a key role in the transformation of Airpower. In the early 1990s, Congress placed ceilings on Federally Funded Research & Development Centers (FFRDC) due to concerns about whether the Department of Defense (DoD) had adequate controls on their size and activities. Do you think these ceilings are still warranted? Would removing these ceilings enhance the transformation and readiness of the force?

Secretary ROCHE. FFRDC ceilings are no longer needed and should be eliminated. The impact of continued ceilings is increased program risk and delays in implementing transformational efforts. The Under Secretary of Defense, Acquisition, Technology, and Logistics, believes FFRDC ceilings have become detrimental to national security as they prevent the Air Force from bringing the best possible talent to bear on important problems related to the ongoing war on terrorism and other security concerns.

In response to Congressional concerns regarding adequate FFRDC controls, DoD has placed strong controls on FFRDCs through a management plan. This plan ensures the FFRDC work is consistent with each center's mission, its core competencies, and the strategic relationship between the center and its sponsors. It also makes certain the FFRDC work cannot be performed as effectively by alternative sources.

Mr. SPRATT. Secretary Roche, The Minuteman III Propulsion Replacement Program: What is the status of this program (cost, schedule, other relevant performance metrics)? Did the Pratt & Whitney explosion have an impact on this program? Are we replacing all three stages of motors? If so, what is the status of replacement for each stage, and please identify contractor responsible for each stage. Is there a Selected Acquisition Report for this program, and if so, please provide.

Secretary ROCHE. The Propulsion Replacement Program (PRP) remanufactures the three solid-fuel stages of the Minuteman III Intercontinental Ballistic Missile. Northrop Grumman Mission Systems (NGMS), the prime contractor for the Minuteman III modernization effort, subcontracted PRP work to a Joint Venture comprised of Alliant Techsystems (ATK) and Pratt & Whitney's Chemical Systems Division (CSD). Under the original contract structure ATK washed propellant out of all three stages, then repoured stage 1 motors in Promontory, Utah. The stage 2 motor was repoured by CSD at its facility near San Jose, California. As the previous stage 3 motor case cannot be reused, CSD manufactured new composite cases and poured new stage 3 motors.

The industrial accidents at CSD had a significant impact on PRP. In September 2003, after the accidents, CSD ceased all "live" propellant operations pending investigations and later notified customers they were going to discontinue live operations at the San Jose facility. The last contractor delivery of a PRP stage 2 or stage 3 motor to the Air Force was late January 2004.

NGMS submitted a restructure plan to the government on 15 Dec. 2003 detailing actions necessary to resume stage 2 and stage 3 production. The Air Force concurred with the approach, which involves transitioning all CSD live propellant operations, to ATK's Bacchus facility in Magna, Utah. The transfer, including tooling, equipment, processes, and materials, is 95% complete. The ATK Bacchus facility requires re-qualification for stage 2 and 3 production.

NGMS and ATK completed two successful initial production re-qualification static fire tests: stage 2 on 1 March 2004 and stage 3 on 24 March 2004. The final stage 2 motor static test fire is scheduled for 9 June 2004. The re-qualification effort is currently ahead of schedule and stage 2 and 3 motor deliveries are scheduled to resume in July 2004.

The NGMS restructure plan contained contractor transition and production line qualification cost claims estimated at \$35M. The Air Force and NGMS are currently negotiating responsibility for the costs. The claim requires the Air Force to set aside

funding to cover estimated costs as a contingent liability. The Air Force restructured FY04 procurement, decreasing total quantities from 96 to 75; and deferred the requirement for 21 to FY08 to retain total program quantity.

As reflected in the Selected Acquisition Report, the first full-rate production contract, awarded October 2001, is 96.1% complete with a \$13.8M overrun. The second and third options on the production contracts were awarded in October 2001 and December 2003, respectively. Both require changes due to production impacts from the explosions at CSD. NGMS and the Air Force are negotiating the changes; therefore, the cost and schedule data will not accurately reflect contract performance until negotiations are complete—currently estimated for June 2004. A copy of the latest classified Selected Acquisition Report was submitted.

QUESTIONS SUBMITTED BY MR. REYES

Mr. REYES. Given that, I was surprised to see that in the budget request, the funding for the F-117s is down, eliminating 10 of these proven aircraft from the inventory. I was wondering, can you explain the rationale behind the decision?

Well, in that context, I was wondering first of all, did we consider other options? Because it seems to me that reducing the aircraft number by 10 ramps up the wear and tear on the remaining aircraft. Haven't they been part, a regular part, of the deployment in theater?

In the event that something happens that you have to ramp up again, how much would it cost to reactivate these?

General JUMPER. If the decision is made to keep these aircraft in the active fleet prior to their scheduled retirement (October 2005), the cost will be \$17.7M in FY05, with the balance of \$55.9M spread across the rest of the FYDP for a total of \$73.6M in the FYDP.

If the decision is made to reconstitute the F-117s after they have been retired, the total cost will depend on the disposition and condition of each individual aircraft. Air Combat Command is currently studying the options to determine the appropriate disposition. Options include: inviolate storage, which maintains aircraft integrity; reclamation storage, which allows parts removal to sustain the active fleet; or non-storage actions, such as converting to ground trainers or providing to museums for display. Note that converting aircraft for some non-storage actions may make it infeasible or economically nonviable to reconstitute these aircraft. A disposition recommendation is due to COMACC on 15 April. Until this recommendation is reviewed and approved, the cost to reconstitute these aircraft after retirement is unknown, and still depends upon their condition at the time of reconstitution.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. Fourth thing—and I do think your force does this well. But I think everybody can do it better. And that is why I am bringing it to your attention, not that you are doing a bad job, but I think we could all do better.

We hear encroachment is a big consideration. And I know one thing the Air Force has is a heck of a lot of experts on everything.

To what extent—rather than letting encroachment become a problem that could jeopardize a multimillion dollar facility that the taxpayers have paid for, to what extent does the Air Force proactively approach town councils, boards of supervisors at the county level and tell them what you need as far as glide path restrictions and as far as noise restrictions, ahead of time?

General JUMPER. The Air Force has specific programs to work with local communities to minimize potential encroachment impacts. Primarily through our long-standing Air Installation Compatible Use Zone (AICUZ) program, we provide aircraft noise data, identify flight safety and accident potential zones, and offer land use recommendations for these off base areas to local planning officials and communities. We provide recommendations to municipal governments on draft zoning ordinances and developments proposals. We also participate in forums with states to develop compatible land use planning legislation. In addition, we are developing a Resource Capability Model (RCM) to better quantify our natural resources and requirements. This model will allow the Air Force to more clearly communicate our resource requirements to local communities.

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. As C-130J training comes on line at Little Rock Air Force Base in FY06, I am concerned that increasingly dedicating active personnel to this mission will put a crimp in training for other C-130 models. As I understand it, the 189th Airlift Wing, part of the Air National Guard based at Little Rock Air Force Base, could absorb this mission if 5 planes were transferred from the active Air Force to the 189th. I am told that this is the preferred option. However, the 189th does not currently have the authorized end strength to carry out this solution. What are current Air Force or Air Guard plans to enable this solution to work?

Secretary ROCHE. The Air Force's C-130 transition plan as currently structured is adequately resourced to conduct the required training without shortchanging our training pipeline. Throughout the evolution of our transition planning, the 189th has been an integral and valuable partner in Air Force C-130E training. Again, our current plan meets requirements. The transfer of assets to the 189th is under consideration as we work on end strength and force structure issues. Rest assured, we remain committed to making this transition happen from a total force perspective.

QUESTIONS SUBMITTED BY MS. DAVIS OF CALIFORNIA

Ms. DAVIS. If I may, Mr. Chairman, just very quickly? I know that the skill sets that people develop in the Air Force are very highly valued and that is why we want to focus on readiness. I wanted to just ask a brief question about the housing situation, facilities, because I know that is one that needs some attention. And it is my understanding that they have capped some of the privatization awards that can go out if they deal with housing. Are we raising the cap on those facilities?

General JUMPER. The 1996 congressional legislation establishing the Office of the Secretary of Defense (OSD) Family Housing Improvement Fund (FHIF) authorized a maximum of \$850M to support housing privatization projects. This "cap" remains in place, even though the original pilot program was extended to FY12. As of December 2003, 28 housing privatization projects across the Services required a transfer of \$537.3M to the FHIF. OSD projects the cap will be reached by November 2004, after the next 28 projects across all the Services are awarded. The Air Force is projected to award 20 out of 43 projects before November 2004, which means, should the cap not be increased, 23 Air Force projects will be impacted.

OSD is working with the Office of Management & Budget and the Budget Committees to eliminate or raise the cap by at least \$1B to accommodate the remaining projects for the Services.

QUESTIONS SUBMITTED BY MR. TURNER OF OHIO

Mr. TURNER. The Air Force reserve unit at Wright-Patterson Air Force Base is scheduled to receive C-5s once their C-141s retire. Could you give me an update on the status of modifying the C-5 fleet?

Secretary ROCHE. The C-5 Avionics Modernization Program (AMP) replaces unreliable/unsupportable engine/flight instruments and flight system components thereby ensuring Global Air Traffic Management compliance and global access. The current Air Force program procures 18 AMP kits in FY05, bringing the total number of kits to 46 by the end of FY05. Production installations are scheduled to begin in late FY04 with 20 installations by the end of FY05 and a total of 39 installations by the end of FY06. The program is fully funded for the number of kits currently planned (55) in the Future Years Defense Program (FY05-FY09). Procurement of additional AMP kits will be addressed by the Air Force during our FY06 budget deliberation process.

The C-5 Reliability Enhancement and Re-engining Program (RERP) replaces aircraft engines and unreliable systems, thereby improving fleet availability, lowering operating costs, and increasing aircraft performance. The Air Force procured 3 RERP kits in FY04 for Research, Development, Testing and Evaluation (RDT&E). Subsystem Critical Design Review (CDR) was completed in December 2003 and aircraft CDR will be completed in March 2004. The first aircraft flight of the modified system is scheduled for late 2005. The program is fully funded for the number of kits currently planned (15) in the Future Years Defense Program (FY05-FY09). C-5 RERP is currently in test and development and FY05 funding includes only RDT&E.

Mr. TURNER. The president's budget requests procurement funding totaling \$74.9B, roughly \$400M below FY04 levels and \$68.9B in Research, Development, Testing, and Evaluation, a \$4.6B increase over FY04 levels. However, the Air Force

budget appears to show a decline in Science and Technology (S&T) research funding.

Department of Defense Wide S&T

President's Budget Request FY04	\$10.2B
Congress enacted FY04	\$12.1B
President's Budget Request FY05	\$10.5B

Air Force Wide S&T

President's Budget Request FY04	\$2.1B
Congress enacted FY04	\$2.3B
President's Budget Request FY05	\$1.9B

Why is the administration increasing the overall defense budget by 7 percent while decreasing the Air Force S&T budget by approximately 13 percent? How can you promote (or justify) transformation without investing in tomorrow's transformation efforts, technology or resources?

Secretary ROCHE. When comparing the FY05 President's Budget request for Air Force Science and Technology against similar funding in the FY04 President's Budget, Air Force S&T increased over \$80 million for almost five percent real growth. This takes into account \$185 million in High Performance Computing Modernization Program funding that was transferred back to the Office of the Secretary of Defense (OSD) plus \$162 million in FY04 only funding for OSD's National Aerospace Initiative.

The S&T programs supported by this funding play a pivotal role in the transformation of our Nation's air and space force. The United States Air Force is continuing to transform to a capabilities-focused Expeditionary Air and Space Force. We are doing this through the development of the Concept of Operations, commonly referred to as CONOPs, for each of the seven major tasks the Air Force must be capable of accomplishing to support the combatant commanders. Our goal is to make the warfighting effects and capabilities we need to achieve them the drivers for everything we do. This is especially true for our S&T Program. We have taken the effects and capabilities required by the seven CONOPs and transformational goals and mapped them to the Long-Term Challenges and the Short-Term Objectives identified in the Congressionally-directed S&T Planning Review completed in February 2002. A prime example of the role Air Force S&T plays in this transformation is in the area of space communications technology. We have increased our investment in this area and are working to identify, develop, and demonstrate the wideband technologies needed to build a space-based laser communications network that could provide higher data throughput. There are other technologies, such as directed energy, microsatellites, and more that will significantly change future warfighting capabilities.

QUESTIONS SUBMITTED BY MR. KLINE

Mr. KLINE. If you are standing by and you are flying between Illinois and Phoenix, you know, or someplace, that is one set of demands on the family and the employer and so forth. And when you are deployed over to the Mideast, to the theater, that is a different demand. So I would like to be reassured that we have poked around a little bit. But I am sort of making this an official request. Please tell me that the load is being spread among the guard and reserve units particularly.

General JUMPER. The Air Expeditionary Force (AEF) Cell at Headquarters Air Force Reserve Command and at the Air National Guard maintain a projected flow of assets not only based on mobilization/demobilization, but on deployment schedules as well. The flow of assets is set up to ensure that each unit and each crew is afforded the opportunity to rotate back to the Continental United States (CONUS) where they retrain, regroup, and continue to fly operational missions tasked through the Tanker/Airlift Control Center at Scott Air Force Base.

The C-130 community (active, guard, and reserve) has developed and implemented a rotation strategy to minimize the effects of the Operation IRAQI FREEDOM requirement. The National Guard Bureau, in coordination with the Air National Guard C-130 wings, Air Mobility Command, and the Air Force reserve Command worked out a fair share arrangement to spread the tasking for C-130s across all wings, and to leave the sourcing of individual crew members to the respective

wings. Each wing is responsible for at least two aircraft and three aircrews on a continual basis. The wings work rotations to fill the aircrew totals while allowing their personnel to be at home for a minimum of 45 days. All parties felt this to be a far superior solution to the need to support combat operations; crews would not be in theater for long durations, aircraft could be swapped out to support normal maintenance requirements, and wings had flexibility on schedules to facilitate home station training while easing the burden on families and employers. The entire scheduling process provides a predictable and reasonable plan to meet the requirements.

Within the Air Force reserve (AFR), the workload is appropriately divided. Our current mobilization plan is designed to spread the overall taskings between multiple units, allowing each unit to rotate personnel through the Area of Responsibility (AOR) and back to the CONUS for reconstitution and stateside missions. Since the start of the build-up following 9/11, no AFR C-130 unit has been untouched. We currently have five AFR C-130 wings mobilized—all of which have assets in the AOR. All three of the remaining AFR C-130 wings have been demobilized following a year or more in a mobilized status. These units stand ready to step up again as the currently tapped units reach the limits of their mobilization authority.

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—REGIONAL COMBATANT COMMANDER, U.S. CENTRAL COMMAND; ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, March 3, 2004.

The committee met, pursuant to call, at 10:03 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The hearing will come to order.

This morning the committee will continue its review of the fiscal year 2005 defense budget request by turning our attention to the combatant commanders, those elements of the Department of Defense (DOD) who are actually charged with fighting and winning the Nation's wars around the globe.

Our witnesses this morning are General John Abizaid, United States Army, Commander, U.S. Central Command (CENTCOM), and the Honorable Peter W. Rodman, Assistant Secretary of Defense for International Security.

Gentlemen, thank you for being with us this morning.

For some time now I have taken a moment at virtually every hearing to remind the American public that the United States is a nation at war. I don't say that for members of this committee, many of whom have visited the theater or have been in constant contact with returning troops. I certainly don't need to remind our witnesses, who are at the heart of the war effort. I beat that drum because sometimes we see disturbing signs that our Nation may be forgetting this essential.

As we meet today in the comfortable confines of Washington, D.C., American soldiers are on the ground in Iraq, Afghanistan and around the world defending our interests, our friends and our allies. But, most importantly, they are defending the lives of our fellow citizens by draining the swamps that allow terrorists to flourish and grow.

I think that most folks in this country today aren't aware of the fact that we have today one of the biggest troop rotations going on since World War II, with some, as I understand now—and correct me, General, if I'm wrong—but I believe some 157,000 troops now in theater. Because you have the folks coming in and the folks who are side by side with them but who will soon be returning. That

is why the political, diplomatic, military, economic and cultural work that goes on in General Abizaid's area is so important.

Even a quick review of the State Department's list of terrorist groups indicates that there are at least 14 organizations operating in the CENTCOM area. Of the State Department's list of seven state sponsors of terrorism, three were in Central Command's area of operations. We are down to two now as a result of Operation Iraqi Freedom.

Nevertheless, the region remains a key source of international insecurity. Extremists continue to assault efforts to bring security, stability and democracy to Afghanistan and Iraq. Iran's halfhearted attempts at political reform have largely failed, leaving us with a state controlled by extremist supporters of terrorism who the International Atomic Energy Agency caught violating their nuclear safeguards agreements.

In Pakistan, we face a country with nuclear weapons, a long-standing rivalry with its nuclear neighbor, popular support for Osama bin Ladin in key regions, and a governmental system that hasn't succeeded in building a stable democracy. And these are just the highlights.

September 11th forced the United States to jump into this mix with both feet. Osama bin Ladin proved it wasn't enough to contain or deter threats to our security. They had to be eliminated. That—and the Administration is using all the tools at its disposal to improve the security situation in the region, from increased military cooperation with the Asian state—central Asian states, the diplomatic initiatives in Pakistan and military training in the Horn of Africa. We are making progress. General Abizaid leads many of our efforts along these lines and will offer some greater detail during the hearing.

That said, much of our success to date should be credited to the men and women serving their country and their willingness to go in harm's way. While they are out there defending us, we have a responsibility back home to make sure we are leaving no stone unturned in giving them all the support they need to do the job. Some people forget that and look to cut the defense budget in order to pay for other priorities. I believe that this would be a mistake in the middle of a war while our service personnel are engaged with the enemy.

I look forward to hearing from our witnesses today about how the President's budget request will enable us to continue making progress in the Global War on Terror and why it is vital that Congress give them the resources they need to compete the mission.

So, before we listen to our witnesses this morning, let me turn to my partner on the committee, the ranking Democrat, the gentleman from Missouri, Mr. Skelton, for any remarks he might wish to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 625.]

**STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE
FROM MISSOURI, RANKING MEMBER, COMMITTEE ON
ARMED SERVICES**

Mr. SKELTON. Mr. Chairman, I couldn't agree with you more about those that would attempt to cut the defense budget. We are at war, Mr. Chairman, and this is serious business in which we are about.

Mr. Chairman, General Abizaid, Secretary Rodman, thank you for being here.

General, I think this is the first time you have formally testified before this committee. So thank you for being with us today.

I have traveled to Iraq twice in the last six months and recently returned from my first trip to Afghanistan. I don't think it is an overstatement to say that our men and women serving in those theaters are doing an extraordinary job under the most trying of circumstances. They are superbly trained, superbly led, and are just the finest force the world has seen and I think historians would probably say the finest force the world has seen since the day of the Roman legions. We owe them all a debt of gratitude; and as we go into the budget cycle, we owe it to them to provide everything they need to succeed in Iraq and in Afghanistan.

But I was troubled by some of the other conclusions I drew from my trips.

First, I am convinced that the timetable for transfer of sovereignty to Iraq is unrealistic. I think I had mentioned this to Secretary Rodman a few moments ago. I am pleased that we have recognized that there is no way to hold elections by June the 30th and am cognizant that approach may not have been supported by the Shiites, but I am happy to know that the new Iraqi constitution, at least the temporary constitution, has been agreed upon. It is still unclear to me to whom we will be transferring sovereignty on June the 30th. Moreover, I am still concerned that the Iraqis are not on track to make the benchmarks set before it by that date, June 30th.

For example, recent press reports indicate that we will not complete status of forces negotiations until there is a new government after July, despite the original deadline of March 31. Without such a document, there will be no formal agreement on the rules of engagement on our forces and legal protections for them. I must tell you that I feel very strongly that our troops must be empowered to do what they must do, A, to defeat the insurgency and, B, to have self-protection before Iraq dissolves into a civil war, as I fear it shall.

Simply put, we have to handle the transition right. The stakes are enormously high, and the recent spate of bombings in Karbala and Baghdad remind us that tensions among ethnic groups are getting higher by the day. I hope you gentlemen will address that when you testify.

We need to give the Iraqi people assurances that we are prepared to stay the course for the future. In this regard, I believe encouraging the North Atlantic Treaty Organization (NATO)—NATO's involvement in Iraq would be very helpful. In our view, NATO allies have just as great a stake for Iraq as we do; and we just recently learned that there are 60,000 deployable NATO troops

that could be called upon should the request be asked—be made—and the request be accepted.

Let me mention Afghanistan. The simple truth in my opinion is that we are shortchanging our effort to establish a viable Federal Government and rebuild that country. I understand that. On the face of it, Afghanistan is not as strategically important as Iraq, but our efforts there are very critical. Osama bin Ladin and other leaders of the al Qaeda leadership of the former Taliban remain at large. In the near term, the United States must bring renewed attention to our offensive operations to flush out those forces.

Starting now and over the long-term, we need to ensure that a terrorist-harboring regime cannot gain hold once again. If we pour half as many people and resources into Afghanistan as we have Iraq, I think that country would be well on its way to recovering from the 20-plus years of warfare that have driven that country.

Last, it is simply a matter of properly finishing what we have started. We have a responsibility to see this effort through. With few natural resources and little infrastructure and a long history of tribalism, Afghanistan has a long way to go, and I don't think we are making progress as fast as we need to in order for the Karzai government to survive over the long-term. Simply put, we need to do more now.

General Abizaid, thank you. You have the responsibility and face perhaps the greatest set of challenges that we have seen in over a half century. It is on your shoulders. We thank you for your past and your present leadership. We also understand the challenges that you have ahead of you. We greatly appreciate your service.

And Secretary Rodman, thank you for being with us; and we appreciate your thoughts, too.

Mr. Chairman, thanks.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 631.]

The CHAIRMAN. I thank the gentleman.

Without objection, the statements of both witnesses will be taken into the record.

The CHAIRMAN. General Abizaid, the floor is yours.

STATEMENT OF GEN. JOHN P. ABIZAID, UNITED STATES ARMY, COMMANDER, U.S. CENTRAL COMMAND

General ABIZAID. Well, thank you, Mr. Chairman. Thank you, Mr. Skelton.

I appreciate the opportunity to testify before the committee. It is an honor to be here.

I would like to, first and foremost, thank the committee for the tremendous support that you have given to young men and women that are in the field. As you said, Mr. Chairman, there are over 200,000 of them in the CENTCOM area of operations. They are performing their missions magnificently, and they can't do it without the help of the American people and the American Congress, and I thank you for that support and help.

Sir, I will make a very brief statement. The CENTCOM area is one of the most active areas in the world in terms of extremism. We are involved in three conflicts; the broader Global War on Terror, a counterinsurgency operation in Iraq, and a

counterinsurgency operation in Afghanistan, both of which are designed to bring stability to those nations.

We have three major commands performing this function: Combined Joint Task Force (CJTF)-7, led by Lieutenant General Rick Sanchez in Iraq; Combined Forces Command Afghanistan, led by Lieutenant General Dave Barno in Kabul, Afghanistan; and CJTF Horn of Africa in Djibouti, led by Marine Corps Brigadier General Maston Robison.

All three of these commanders and the troops under their command are facing a difficult challenge against the extremists in various ways in their areas. Despite that, I am very optimistic that we have the troops, the equipment and the necessary will to fight our way through to a good conclusion as long as we maintain our patience, our tenacity and our courage.

This is a very dangerous battle space, as evidenced yesterday by the attacks by Zarqawi against unprotected Shia Muslims in places like Karbala, Baghdad, and a thwarted attack that fortunately didn't take any lives in Basra. Over 140 people were killed, over 500 were wounded. Undoubtedly, the number of killed will go up by the time some of the wounded pass away.

The CHAIRMAN. How many killed was that, General?

General ABIZAID. Over 140, sir. These attacks are despicable, and they show the clear lie of the idea that Zarqawi, Osama bin Ladin, Zawahiri, and their like are fighting for Islam. They are the enemies of Islam. They have killed more Muslims in the past month than anybody could ever imagine for no reason other than to cause destruction and to cause civil war to take place in Iraq. It is a bleak vision that could only result in the Talibanization of the Middle East should they succeed. The vast, vast majority of the people in the Middle East do not want that to happen, and they join us in this struggle against these extremists.

Mr. Chairman, I will close by saying, this is an important fight. It is not just a fight about stabilization. It is a fight about extremism versus moderation. It is a fight about the ideas of free men versus those who would enslave people.

I think our young soldiers, sailors, airmen, Marines, Coast Guardsmen, DOD civilians that are out there all understand this. They know that if we don't face this menace in the middle of the Middle East, we will have to face it sooner or later at home. They are proud to take the fight to the enemy. They are doing a great job. I have never seen a better Armed Forces, better trained, better motivated, and better led by their subordinate commanders.

So I want to tell you, Mr. Chairman, that our troops are committed to this battle. They will be successful because of their courage and their tenacity, and I thank you for the opportunity to appear.

The CHAIRMAN. Thank you, General.

[The prepared statement of General Abizaid can be found in the Appendix on page 635.]

The CHAIRMAN. Secretary Rodman.

STATEMENT OF PETER W. RODMAN, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Secretary RODMAN. Thank you.

Mr. Chairman, Mr. Ranking Member, members of the committee, I, too, am honored to be here. I hope to be of assistance to the committee in its deliberations. I am proud to be here in the company of my colleague and friend, General Abizaid.

In my prepared statement, what I attempted to do was put our efforts in Afghanistan and Iraq in a certain perspective, a policy perspective, the perspective of our overall strategy in the war on terrorism.

As General Abizaid just said, really it is a struggle between moderates in the Muslim world, the overwhelming majority of people in that part of the world, against a minority of extremists. It is our friends who are on the frontline; and if you can sum up our overall strategy in a nutshell, it is to bolster our friends, help our friends, help promote the people who share our values or who come close to our values of moderation and peace and help them in their struggle against the extremists.

We all read in the newspapers and we hear about these tragic acts of violence such as happened yesterday. But my view is that the most important thing going on in both Afghanistan and Iraq is the political process, the remarkable project of political construction that is going on and I would say making remarkable progress in both places.

In Afghanistan, we saw at the beginning of January the agreement on a new constitution, a milestone in the construction of a strong central government in Afghanistan, a process which is bringing together, successfully bringing together all of the elements of Afghanistan society as they build new institutions to fill the vacuum left by the Taliban.

In Iraq, as was mentioned, we have just seen this week a similar milestone, the agreement on the Transitional Administrative Law, which is a kind of interim constitution; and, in fact, again, capping off a remarkable process of political compromise, political co-existence being demonstrated by all of the moderate Iraqis that we have been working with since liberation.

I mean, the real story is not that there are people trying to derail this process. The real story is that this process is moving forward regardless.

There were a lot of concerns at the time of liberation about the centrifugal forces in Iraq, and yet we have seen since the formation of the governing council last July and up until the present point that these groups have learned to work together. They are mastering the art of political compromise. Their cohesion is the remarkable story; and they are coming together in a document which, from what we have seen, is a good document, a moderate blueprint for a decent, moderate, modern Iraq, which will be a partner to its neighbors and no longer a threat to its neighbors.

So that is why we remain confident that we have a strategy, that this political process is moving forward despite the obvious attempts of people to destroy it.

I would mention the Zarqawi document, as General Abizaid did, this document that we came across a few weeks ago, it is clear that the terrorists are worried about this political process. Their fear is that on July 1, when the American, quote, occupation, unquote, is over, and we are there as the partner of a sovereign Iraqi govern-

ment, that a lot of the political steam comes out, or political legitimacy, if there ever were any, drains out of this terrorist enterprise, because then what are they attacking? They are no longer attacking the Americans. They are attacking Iraqis, which is the case anyway, but suddenly they are worried that their political position is drastically weakened by this transfer of sovereignty.

My final point, which I have in my prepared statement, is just a plea for staying power. Our friends in the Middle East, especially our moderate friends in Iraq and Afghanistan, are counting on us for a transitional period. They need our help as they get on their feet. They need our help for a period as they build their new institutions; and they need our help, of course, most of all, in the security dimension. I believe we as a nation are committed to help them do that and to stay the course and to be there, to give them the confidence and the support that they need to build those new institutions and to complete this process.

I know this is an exciting year in our domestic debate, but I do say and I take comfort from the extraordinary bipartisanship that the Congress has shown in supporting the \$87 billion supplemental last year and supporting the defense budget and the way this committee and others have conducted themselves. I am confident that we are united on the fundamental imperative of staying the course, of making sure that we have a successful outcome in both Afghanistan and Iraq.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary.

[The prepared statement of Secretary Rodman can be found in the Appendix on page 679.]

The CHAIRMAN. General, you have—we have one of the biggest deployments—redeployments of any time since World War II going on right now. You have got the 82nd Airborne poised to displace back to the U.S. You have the Fourth Infantry Division (ID) up in the north, to the north of Baghdad. You have got the 101st up in northern Iraq, and you have got the First Armored Division that is in the Baghdad area, displacing out.

Bringing in, coming in is the First Marine Expeditionary Force, going to the 82nd. You have got the First Infantry Division. You have got at least one brigade from the First Infantry Division in that western area of operation (AO). You have got the First Infantry Division and a Stryker brigade, and you have right now a ton of people moving and, in some cases, working side by side with the outflowing force basically teaching the ropes to the inflowing force.

Just give us an idea of how that is going, how that is working. Is it proceeding as planned?

General ABIZAID. Mr. Chairman, I am very pleased with the way the rotation has moved thus far. You know that we have already moved the 101st out of the sector and put a Stryker brigade combat team up in the Mosul area. The Stryker brigade is performing very well. The troops there are doing tough work with less forces, yet their Stryker vehicle and brigade combat team systems have allowed them to take over battle space of the division and handle it very well.

We are about, as I said, halfway through the rotation, and I am extremely satisfied with the smooth transfer of responsibility be-

tween units, the state of preparedness of the units that are coming in. All of the units have been trained either by the U.S. Marine Corps or by the U.S. Army in some very extensive scenarios. They have had leadership reconnaissance conducted at a fairly high level before any of the units arrived, and now they spend at least two weeks doing what we call right-seat riding with their contemporaries to make sure that they understand all of the nuances of the battle space that they are inheriting.

In the days ahead, the Fourth Infantry Division will turn over to the First Infantry Division. That is starting to take place now. Many of the units of the First Infantry Division are up there and in place. And down in the Baghdad area, the 1st Cav Division will start to replace very soon the First Armored Division that has done such a great job in that battle space.

So I am very satisfied that the turnover of forces is going smooth, that the troops that are coming in are experienced, that they are ready, that they understand the challenges. There is no doubt that new troops will face challenges of having to learn their areas. That is always true when new troops come into a combat zone. But these are the best prepared new troops ever to show up on the battlefield, and we are looking forward to them taking up the challenge in their areas, and we are grateful for the year's worth of service that our current forces have put in and welcome the opportunity to go home.

The CHAIRMAN. Would you say, General, that defending and protecting the top line of the President's defense budget is an important aspect of this massive deployment?

General ABIZAID. Sir, as a combatant commander, I need to have the resources that I understand are very extensive in order to support 217,000 troops operating in a vast area; and so I support the budget as I understand it to be made.

The CHAIRMAN. Okay.

The gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, you hit the bottom line in your question. I applaud you for it.

General, if Admiral Nimitz and General MacArthur were asked during the Battle of Guadalcanal after the loss of the Philippines, Guam, Wake Island, of course, the initial attack on Pearl Harbor—if they were asked, how goes the war, I am sure they would give a very guarded, or would have given a very guarded, and possibly troubled answer.

What you said a while ago, very disturbing. We cannot afford to have a Talibanization of Iraq. The last thing we want is for failure to settle as a cloud on our heads.

A lot of good things are happening but not making the front page. The young troops are doing superbly well. We have seen that. Construction, the ability to get along with people. And, yet, yesterday the last of a series of coordinated attacks this time on so many Iraqis, and I think you testified over 140 deaths as we speak. If we were to ask you that Guadalcanal question of today, we know that your answer would be guarded and difficult. But it needs to be asked. So, General, what is your assessment of the likelihood that Iraq will dissolve into a civil war in the months ahead as we try to transition power?

General ABIZAID. Congressman, I believe there are more people trying to hold Iraq together than tear it apart. I believe that there is always a chance that through the wrong steps of political leaders inside Iraq and through the deliberate steps of people like Zarqawi, groups like on Ansar al-Islam and al Qaeda that are trying to move the country toward civil war, that it is possible. And while I say it is possible, I do not believe that it is probable. I think that there is a much greater chance that Iraq will emerge through this political process as a stable and modern state that is well represented in the community of nations as a responsible state. So I am optimistic that we have a chance.

But it is not a 100 percent chance. I believe that there is a lot of hard work to do. I believe that as we move toward the period of sovereignty envisioned in the turnover to the transitional government and then move toward elections, which will inevitably happen later, that violence could well increase. It will be the mark of our success as to our willingness to stay the course and our ability to build Iraqi security institutions that are willing to fight for their own freedom and their own survival.

I think there is a high degree of success ahead of us provided that we are patient, we stay the course, we help the Iraqis, we make sure that they understand that this is an operation not of occupation, but of partnership, and that over time we turn over more and more authority and control to them so that they can control their own destiny.

At the end of the day, it will be Iraqis that make Iraq free, not Americans.

Mr. SKELTON. Thank you very much, General, for your service and for your straightforward answers.

Thank you, Mr. Chairman.

The CHAIRMAN. I appreciate the gentlemen.

The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. General, not long ago, the Chairman and I were at a briefing at the Fourth ID Headquarters in Iraq. One of the interesting pieces of information—two pieces of information had to do with the trend lines of attacks on American soldiers and the trend line involving people who were coming into newly stood-up police stations with information on people who were trying to make trouble—who were making trouble in Iraq. Can you give us an update on those two trend lines?

General ABIZAID. Sir, I have spent a lot of time up in all of the divisional areas looking at a lot of the various statistics. A lot of people talk about how there is a straight-line function about conflict in Iraq, but I think it is better described as being some sort of a sign wave where there are peaks and valleys of violence that move throughout the country.

In general terms, though, I would say that attacks against Americans are down, certainly from their high back in November. But attacks against Iraqi institutions, in particular the police and the Iraqi Civil Defense Corps (ICDC), are up.

It is clear that the strategy of the Zarqawi network, Ansar al-Islam, al Qaeda, and other extremist groups is to undermine the ability of Iraqi security forces to gain a foothold against them; and they know that ultimately it will be Iraqi security forces that de-

feat them. So they have embarked upon a strategy of attacking Iraqi security institutions, assassinating Iraqi leaders that are part of these institutions.

I am happy to report to you that despite these attacks, many of which have been devastating, recruitment remains high, motivation in the Iraqi Civil Defense Corps in particular is high, and people continue to train and move together in an effort to build Iraqi security institutions that are going to be capable.

So we should not underestimate the ability of the enemy to find our weak spots, and one of the weak spots is the still-building capacity of Iraqi security institutions. I believe that with very close cooperation from the United States and other coalition partners, we can build this capacity so that it is both effective and loyal to the emerging state.

One other point I would like to make, Congressman, is that it is very, very important for us now to build Iraqi chains of command that move all the way from the lowest police private or army private all the way up to the Minister of Defense and Minister of Interior; and I think that work needs to be well in progress by the transition of sovereignty on the 1st of July.

In regards to Ministry of the Interior, that work is moving pretty well, but in regards to the Ministry of Defense, we still have to stand up that ministry, get it manned, and have the chains of command start to function.

Mr. SAXTON. Thank you.

One other thing that I find very interesting—Iran is obviously right in the middle of things both geographically as well as in many other ways. We know that there was some foreign fighters coming into Iraq through Iran. We know that Bahrain has a relationship with Iran that is sometimes tested. We hear that some former Taliban or al Qaeda leaders may be in Iran and under some kind of supervision or whatever. Can you just give us a general notion—your general notion about the role that Iran is playing in the area and how much are you concerned about it?

General ABIZAID. Iran is clearly the most powerful nation state in the region. They have a tremendous amount of influence throughout the region and for the past several years have certainly been anti-American in their outlook.

It is interesting to me, however, that as we look at our operations in both Afghanistan and Iraq, that the Iranians have not actively tried to disrupt those operations. There is no doubt that the Iranians, especially in the Shia south, will want to maintain a large degree of influence, but I believe that the Iranians understand that the sooner a stable Iraq and Afghanistan emerge, the sooner their prosperity regionally can return, and the sooner we will reduce our footprint in the region, which they will see as a good thing.

Certainly, the recent Iranian election was one that causes us to have some concerns about the return of hard-liners, about the increase of hard-liners in the government. But, on the other hand, there is an unmistakable movement within Iran of reformers that desire greater political reform that I think will continue to be apparent in the years ahead.

So, certainly the Iranians have probably turned a blind eye on terrorist groups moving through their territory that have infiltrated either into Iraq or Afghanistan. The degree to which the Iranian government has been complicit is not clear to me, but I would say that the Iranians, by allowing groups like Zarqawi, al Qaeda, Ansar al-Islam to operate through their territory or to not effectively go after them are putting their own governmental institutions and their own people at risk. After all, Zarqawi's attack on the Shia minority or the Shia Ashura holiday down in Karbala and Baghdad yesterday should indicate to the Iranians that these people do not share common cause with them.

I imagine Mr. Rodman probably would have some remarks.

Secretary RODMAN. Certainly.

I agree with General Abizaid. Iran is giving itself options for the future in Iraq. As the General said, Iran has not disrupted the political process it is building in Iraq and I think in large part because its friends, Iran's friends in Iraq, some of the Shia groups have been included from the beginning in the political process. So Iran may feel that its legitimate interests are being taken account of in this political process.

On the other hand, it is simultaneously either providing for itself—I think providing for itself some weapons it may choose to wield in the future either as leverage against us to get us out or leverage in support of its allies if politics within Iraq take a more chaotic turn. So I think we are right to keep an eye on Iran. But I would say at the moment Iran is not the main problem we are dealing with inside Iraq.

The CHAIRMAN. I thank the gentleman.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman, and Secretary Rodman, General Abizaid, for what you do for our country and for those folks whom you represent.

Secretary Rodman, we have had now about a year of almost unfettered access to the Iraqi records. A subject that is often brought up without great clarification that I would like your opinion on is have we been able to find any substantial links between the government of Saddam Hussein and the attacks of September the 11th?

Secretary RODMAN. Let me say a couple of specific points. One is, there is still a mountain of documents that we have not yet translated and gone through. Second, the administration has never attempted to demonstrate a link between Saddam Hussein and 9/11.

What we did feel we had good documentation of was a long record of links between the Iraqi Intelligence Service and al Qaeda. We have put out information—as I said, it does not demonstrate a connection with 9/11, but there is already, I think, significant evidence that there is a record of exchanges and contacts and some degree of cooperation between the Iraqis and al Qaeda, and a lot of that information has been put forward, including in Secretary Powell's presentation to the United Nations (U.N.) A year ago. I think some of the new information that we are gathering may be relevant to that, but there is nothing dramatic that I am aware of.

Mr. TAYLOR. If something like that should come to your attention, would you please make me aware of that?

General Abizaid, I continue to be concerned—and you please correct me if I am wrong. But from what I can see, the majority of our casualties in Iraq continue to be the result of improvised explosive devices (IED). I would certainly hope that you would make that a priority of yours. I know that our Nation—I want to make this very clear, because we were all in on a bad decision, that said that not every soldier going to the Iraq theater would have the best body armor. We have finally corrected that bad decision. I would sure hope we are not making a similar shortsighted decision when it comes to trying to protect vehicles from improvised explosives, and I would hope you would be a part of that.

My second question would be, a friend of mine in the Special Forces community raised an interesting point, and I would like to hear your thoughts on it. His observation was, in the hearts and minds department, he felt like that we had made some short-term decisions to move into the Hussein palaces because they had running water, because they had heat, because they had air conditioning, because they had walls around them, all logical things to do in the short-term for the quality of lives of our troops. He felt like, long-term, we may be making the mistake of becoming associated with those palaces that I would think that to the average Iraqi were obviously symbols of evil. I mean, Saddam Hussein was an evil person. They did bad things in those palaces.

I was just curious if we have a long-term strategy to build the kind of barracks that we have done like the SEA-huts that we did in Bosnia so that quite possibly we are not associated with those palaces in the future, or if there is any policy along that line. We are obviously replacing 130,000 great troops with 110,000 great troops. We want them to have as many of the comforts of home as possible, realizing they are gone for a year. But I would like to hear your thoughts on the possible association, the possible links that when we move into that palace we pick up some of the baggage of the Hussein regime.

General ABIZAID. Thank you, Congressman.

First of all, on the IEDs, I agree with you that the IED continues to be the greatest casualty producer among our troops in the field; and, like you, I believe we must do everything possible to protect our troops in the field. We honor the sacrifice of any of our soldiers, any of our service people that have either been wounded or killed in action. What more can we say about that?

I had an interesting conversation before the hearing today with the chairman of the committee about IEDs; and his question to me was, are we doing everything we can to protect the troops? The answer to the question is, we have to continue to work this issue every single day; and it is a priority of mine. There are technological fixes to the problem that can be partially successful; there are tactics, techniques, and procedure fixes to the problem that can be partially successful; and, of course, there are offensive actions that can be taken against the bomb makers when we know where they are and how they are operating that can be partially successful. But, Congressman, I cannot give you a 100 percent assurance

that we have got the solution to the problem, because the enemy knows that we are vulnerable in this regard.

As you know, we went into the war with a requirement for about 200 up-armored Humvees. Now we are up to 4,000 Humvees, and yet the force is actually smaller now than the force that went into Iraq. So you can see that we are every day evaluating how we can protect our troops in a better way; and in a commander's conference that is upcoming here in the days ahead in the Middle East, I will be going over this in great detail with not only our technological experts, but also our commanders. Believe me, this is very, very serious business and we pay great attention to it.

As far as the palaces are concerned, my view about Iraq is that there is nothing in Iraq that belongs to the United States of America. The palaces don't belong to us, the airports don't belong to us, nothing there belongs to us; not the oil, not the natural resources, nothing. It is their country, and we are there to create an environment that allows them to move down the road of moderation and prosperity if they are only willing to seize the moment. So I think that it was the right thing to do to initially move into the palace areas for all the reasons that you described. I also think it is the right thing to do in the next year to move out of these areas in a very, very clear and connected operational movement that returns these public lands to the Iraqi people; and certainly we will be doing that. We have done it in some areas at a small rate, but, as you know, where most of the American troops are these are areas where the regime had a lot of palaces, and we are looking for places to move out of these public lands and move into areas that will be less obtrusive for our troop presence. That doesn't mean that we won't patrol or we won't conduct our operations.

But there is some resistance to units that get comfortable, and I have told them that I expect them to move out of the Baghdad airport area, for example, and they are doing that now.

You have noticed that we are making Balad Airfield our primary hub in the region. The idea of doing that is because we need to have the Baghdad International Airport revert to civilian control, we need to have the Basra International Airport revert to civilian control at the earliest opportunity, because turning over these important symbols of sovereignty will demonstrate to the Iraqi people that this is a partnership and not domination.

Mr. TAYLOR. Thank you, General. Thank you, Secretary.

Mr. HEFLEY [presiding]. Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman.

Gentlemen, welcome—Mr. Secretary, General.

As the Chairman noted in his opening remarks, many of us have visited the CENTCOM region extensively. I have had the opportunity to travel twice to Iraq and just returned from Afghanistan last week, and I wanted to compliment you on your leadership and the great job your troops are doing.

It is frustrating to many of us who have been there that the adage in the news media often appears to be: Good news is no news. We don't as a people often get the opportunity on the nightly news broadcast to see the great work that is being done, the progress that is being made. I was particularly pleased in your testimony to see your reference in Afghanistan of the PRTs, provincial

reconstruction teams. I visited one of those in Kandahar last week, and it is a true success story. The one I visited was in the heartland of the so-called spiritual base of the Taliban, and yet there are American forces along with others providing real help to people. You could see the appreciation in the people's eyes, and it was a truly enlightening experience.

I would like to just ask a question about the events that occurred yesterday, the tragic events, the series of bombings on the Shia. One of the reactions or a number of the reactions focused on the so-called moderate Shia leader particularly, Grand Ayatollah Sistani, that pointed a finger of blame at the American troops as somehow they didn't step up to the job of providing security. It was my understanding that indeed there were limits placed on the kind of security we could provide to these particular venues and to Shia activities in general and that we are really not allowed to get in close and personal. Could you expand on any operational limitations that are placed on our security efforts vis-a-vis the events of yesterday, for example?

General ABIZAD. Sir, if I may talk a bit about what happened yesterday to put it in context. Within 4 minutes of each other, at about 1,000 hours local time in Baghdad, suicide attacks took place in Karbala and in Baghdad and in the Shia neighborhoods in Baghdad near the holy mosques that are located in both locations. There also obviously was an attempt to attack a holy site in the Basra area that was fortunately foiled.

We saw in this attack at least six suicide bombers, which is the most we have seen on any single day. It is possible that there may have been even more associated with the attack. So the level of organization and the desire to cause casualties among innocent worshippers is a clear hallmark of the Zarqawi network, and we have intelligence that ties Zarqawi to this attack. We also have intelligence that shows that there is some linkage between Zarqawi and the former regime elements, specifically the Iraqi Intelligence Service, and we are concerned to see a terrorist group come into close coordination with former Iraqi Intelligence Service people because that creates an opportunity for the enemy of cooperation that can have a lot of danger for the force.

As you can recall, back during the early stages of the war when our forces first entered into Najaf and Karbala and you recall the pictures of our troops moving toward the mosque and people clearly not wanting them to get near these holy areas and you recall the picture of a lieutenant putting this one weapon upside down and backing away, ever since those early days of the war, we have had a relationship with the Iraqi police and with local guard forces led by many of the Shia notables to guard those sites themselves.

That doesn't mean that there is not close cooperation. There is an outer-ring in Karbala that is manned by the Polish multinational division, an outer-ring in Baghdad manned by American troops. We had some intelligence that indicated that attacks would take place. We passed that intelligence to the Iraqi police and the Iraqi Civil Defense Corps units and to the local authorities. We also know that they were trying to go after several prominent Shia personalities. In the night before, American special operation units raided some of the Zarqawi network operatives and probably pre-

vented even greater carnage by being successful in one of those raids.

So there is a level of cooperation that exists all the way from General Sanchez to the lowest Shia police private on the streets of Karbala to try to ensure security. But, as you know, sir, in a city like Karbala of over a million and a city of Baghdad of over five million, you can literally find your way through any type of security cordon, especially when there is about a million pilgrims that are celebrating Ashura holiday.

It was clear, also, that the people that planned this outrage also planned to blame it on the United States, and there is some indication that they planted leaflets very shortly after the explosions in Baghdad that claimed that the United States had mortared the worshippers.

So this is clearly along the lines of the letter that we intercepted from Zarqawi that talks about the need to plunge Iraq into civil war and do it quickly; and it is probably not surprising that, because we have the perception of being an occupying power there, that there are many people willing to point their fingers at us when there is a security incident, especially one as horrific as occurred yesterday.

Now, that having been said, I believe the plan was for even greater carnage. I think that joint actions between Americans and Iraqis prevented that from happening, and I think that we have better cooperation among various groups throughout Iraq in terms of security than is widely reported, although politicians are—inside Iraq are, of course, quick to point the blame at us. I think we will face many more of these challenges ahead, and I believe we will continue to stay after the Zarqawi network, we will continue to train the Iraqis to get after the Zarqawi network, and over time we will become more and more successful.

Mr. MCHUGH. Thank you, sir.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Meehan.

Mr. MEEHAN. Thank you, Mr. Chairman.

General Abizaid, as you have noted both in your testimony here and prior to this hearing, the Pentagon's long-term strategy to reduce U.S. troops in Iraq depends upon the ability to hand over the responsibility for security to the Iraqi forces. According to the New York Times, though, many of the Iraqi police officers and militia now operating independently or in cooperation with the American forces still lack basic equipment like radios and patrol cars. Just two weeks ago, simultaneous attacks against Iraqi Civil Defense Corps headquarters and a police station in Fallujah left more than a dozen Iraqi police officers dead because they lacked adequate weapons and ammunition.

I can't say that I am surprised that the new Iraqi security forces don't have the equipment they need because in many instances our own troops haven't had enough body armor and armored Humvees to protect themselves. But if the hand-over of powers is going to succeed, Iraqi troops and law enforcement officials have to be trained and equipped to deal with insurgence, or I think it is clear we risk chaos.

General, if we have had problems with our own troops getting necessary protection like armored Humvees, what makes you think that the Iraqi forces will be ready to assume control of security operations by June 30th?

General ABIZAID. Sir, I do not assume that they will be prepared to assume control of security operations by the 30th of June. I believe that the security situation in Iraq will require a partnership between a U.S.-led multinational force and the Iraqi security institutions, and I believe that as you look at the transitional administrative law that provisions are made in there for that to take place. And I agree with you, Congressman, that Iraqi forces, be they army, Iraqi Civil Defense Corps units, police, border police, et cetera, still are not fully equipped, trained or memory-ready for the assumption of full sovereignty and being able to battle the very difficult threats that they face.

They are certainly prepared to face the obstacles, and they are courageous people. And I have great admiration for what they are doing, but the most important thing we have to do now between now and the 30th of June is increase the quality of the forces by getting them the right equipment, getting them the right training and ensuring that we start to build a chain of command that goes through the Iraqi private all the way up to the minister of interior or defense, as the case may be.

I think, actually, sir, that it has been a remarkable thing that we have taken security institutions that were effectively at zero in May and brought them up to a strength of about 200,000 today, but I also have no illusions that it will take time to build them, train them and work with them. And as we move into the next phase of a multinational force headquarters, we will have Iraqi officers embedded with us there. We will have Iraqi joint forces, a staff that will be built that will help command and control the effort. And it will take some time before they are able to handle the very difficult tasks that are ahead of them, but I am very confident that given time and patience, we will be able to do that.

Mr. MEEHAN. General, on a follow-up note, I understand that the Iraqi Governing Council has decided to delay negotiations over a status of force agreement until a new provisional government takes over. This delay leaves the relationship between the United States troops and Iraqi security forces, it seems to me, completely undefined when we handle the sovereignty to the Iraqis. Without this agreement, the regulations governing where the U.S. troops will be based and what the conditions under which they will operate will be, it seems to me, will be up in the air, to say the least about the protection of our soldiers being guaranteed.

If our troops are going to be in Iraq for the foreseeable future, we owe it to our troops, it seems to me and to the Iraqis, to define our role in Iraq now.

What are you doing or can you do to revive negotiations for a status of force agreement with the Iraqi governing council? And I am wondering what legal rules will govern the conduct of our troops after the handover? In other words, how can we be sure that our troops will be able to defend themselves and establish sound security agreements if we don't have a status of force agreement that is in place?

General ABIZAID. Sir, with your permission I am going to let Mr. Rodman answer some of the points contained in this.

Secretary RODMAN. I am happy to do that. I think that report is a mischaracterization of the situation. I would say that both the Iraqis and the Americans are coming to the conclusion that there is a different way to handle this problem than was spelled out in the November 15th agreement. As you were suggesting, the November 15th agreement said that by the end of March we would negotiate all this. I think we are coming to the conclusion—well, we have had some preliminary discussions with the Iraqi leaders who, first of all, assure us that they absolutely understand that they need us, they want us to stay, they need our help. The November 15th agreement also has a clause in it that says we know that the coalition will require wide latitude for its operations.

We are in the administration looking at a variety of legal ways of assuring our position through the transition that may well—depending on what we conclude, may well permit us to allow a detailed negotiation to take to wait until the transitional government is in place after July 1.

I mean, I can assure you that we are not going to have a period of time when our forces are without protection, but let me just say that there are a variety of ways of doing this and a variety of legal provisions that we can resort to, and we are at the beginning of—I think we are about to come to some conclusions ourselves. We are about to begin consultations with the Iraqis again and with coalition partners on exactly how to do this. But as I say, it may not be, you know, what was expected in November.

Mr. MEEHAN. But would you agree, Mr. Secretary, that it should be laid out in written form and clearly understandable?

Secretary RODMAN. We will want to have clear, legal assurance of our position, both political and legal assurance.

Mr. MEEHAN. Any timetable when you might have such an agreement?

Secretary RODMAN. I think this is going to unfold during the course of this month. I think we are close to coming to some conclusions about ways to do it, and we will very quickly start discussing this.

Mr. MEEHAN. Thank you, Mr. Secretary. General, thanks very much.

General ABIZAID. Thank you, sir.

The CHAIRMAN [presiding]. I thank the gentleman. The gentleman from Virginia, Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman, and General, thank you both for being here today.

General, as you know, one of the greatest challenges of the war in Iraq was logistical planning and implementation, specifically that of the movement of fuel, water and supplies, and we hear a great deal of testimony about weapon systems and body armor and intelligence, but very little about the phenomenal task that was done logistically in this whole conflict, and I would just ask you if you could, today, please comment on any distinctive challenges of this mission, and particularly your evaluation of the performance of the quartermaster corps during the war in Iraq.

And one second question if you have time. You mentioned the possible Talibanization of Iraq. If that were to occur, what, in your opinion, would be the consequences to the security of the continental United States, if that were to take place?

General ABIZAID. Thank you, Congressman. First of all, in terms of logistics, it is really remarkable the great strength of the United States Armed Forces not only in the fighting caliber of its men and women, but in this unmatched logistical capability to move from the United States of America at any point on earth, get mountains of equipment to the right place at the right time and move against a fairly sophisticated enemy in a very quick amount of time and achieve great results and then have no one really talk about it.

It is to the point where operational commanders just absolutely expect that the system will work flawlessly, and most of the time it does. Clearly, in the early days of the movement into Iraq, there were challenges with parts for helicopters and some of our armored vehicles that required a great deal of innovative thinking by young logistics troops on the ground.

As I look at the theater now and I see how our supply systems are working, I am very satisfied that we are getting the right equipment and the right parts to the right place at the right time and that the troops are living a quality of life that is pretty unprecedented for a theater as tough as this theater is. And I attribute all of that to great logistics work.

However, we also need to understand that part of logistics is getting the force structure right in the first place, and one of the things we really have to understand as we evaluate the lessons of the war is whether or not the force structure in terms of logistics support, in terms of certain types of vehicle densities, for example, up-armored Humvees and et cetera, is correct. And if it is not correct, we need to correct it. And I know that General Schoomaker is thinking about that and working hard on that. But the work of the logistics troops is absolutely magnificent, and if you also look, Congressman, at the casualties among the logistics troops, you will notice that they are percentage-wise much higher than I think we have seen in any of our conflicts, because they are the young men and women that run those roads all the way from Kuwait up to Mosul, for example, that bear an awful lot of the risk in the combat operations that take place there, and they have done very well. We thank them for their great work.

With regard to the consequences of Talibanization, I really don't mean only of Iraq. I mean, if a country emerges in the Middle East that was like Afghanistan, that allows terrorists to operate from their soil as a base of operation, that allows this hateful ideology to be spread from its soil, that is a huge problem for not only the United States of America but for the entire region.

We cannot allow this ideology to take root, because it could be the source of much, much greater instability and difficulty for us in the region in the years ahead.

I don't believe that it is likely for extremists to take charge of Iraq. I believe that the process is more likely to produce a moderate, although not necessarily recognizable western democracy, but a moderate government emerging that will protect the rights of its people.

The fact that a government like Iraq would emerge as a moderate state in the middle of territory not noted for its moderation will have a huge impact on the entire region, and if we fail there and the extremists were to succeed there, the opposite effect would affect the region in a way that would be very bad for all of us.

The CHAIRMAN. Thank the gentleman.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. Thank you, gentlemen, for being here.

Secretary Rodman, in your opening comments you had the phrase, we are united on the fundamental imperative to be successful in Iraq. I think that is a very good way of putting the whole issue that regardless of how the American people felt or how the Congress felt. We had differing views on the decision to enter Iraq, but we are there now and we need to make this successful. And I think that was a good phrase. You ought to help somebody write a book sometime like Dr. Kissinger.

General Abizaid, I want to thank you for all your service, too. You mentioned the 1st Cav. And I was down in Fort Polk a week ago yesterday and visiting the 39th Brigade, the National Brigade from Arkansas, the several thousand young men and women that are going to be part of the 1st Cav.

I actually carry the little coin around with me. All my Texas friends think that the Boyd 9th is, you know, Jim Boyd in Texas, but we know it was developed in Arkansas. So it is on their coin. And my apologies to all the many other Arkansas units that I don't carry their coin, but we have had so many go over, I couldn't do it all. But they are doing very well and they are getting very, very good training.

Last night on NBC news, I happened to hear a report that I found very disturbing, and I am going to read it in its entirety and ask for your response to it, Secretary Rodman, if I might.

This was a report by Jim Miklaszewski, and this is the report. Quote, quoting from NBC news now, "with Tuesday's attacks, Abu Musab Zarqawi, a Jordanian militant with ties to al Qaeda, is now blamed for more than 700 terrorist killings in Iraq, but NBC News has learned that long before the war the Bush Administration had several chances to wipe out his terrorist operation and perhaps kill Zarqawi himself but never pulled the trigger.

"In June 2002, U.S. officials say intelligence had revealed that Zarqawi and members of al Qaeda had set up a weapons lab at Kirma in northern Iraq, producing deadly ricin and cyanide. The Pentagon quickly drafted plans to attack the camp with cruise missiles and air strikes and sent it to the White House where, according to U.S. Government sources, the plan was debated to death in the National Security Council."

Quote, "Here we had targets. We had opportunities. We had a country willing to support casualties or risk casualties after 9/11, and we still didn't do it, said Michael O'Hanlan, military analyst with the Brookings Institution.

"Four months later intelligence showed Zarqawi was planning to use ricin in terrorist attacks in Europe. The Pentagon drew up a second strike plan, and the White House again killed it. By then the Administration had set its course for war in Iraq.

"People were more obsessed with developing the coalition to overthrow Saddam than to execute the President's policy of preemption against terrorists, according to terrorism expert and former National Security Council member Robert Cressy.

"In January 2003 the threat turned real. Police in London arrested six terrorist suspects and discovered a ricin lab connected to the camp in Iraq. The Pentagon drew up still another attack plan, and for the third time, the National Security Council killed it. Military officials insist their case for attacking Zarqawi's operation was airtight, but the Administration feared destroying the terrorist camp in Iraq could undercut its case for war against Saddam. The United States did attack the camp at Kirma at the beginning of the war, but it was too late.

"Zarqawi and many of his followers were gone." Quote, "Here is a case where they waited, they waited too long, and now we are suffering as a result inside Iraq, Cressy added. And despite the Bush Administration's tough talk about hitting at the terrorists before they strike, Zarqawi's killing streak continues today."

I was reading verbatim from the NBC News report, last night's news. I find that a very disturbing report. I mean, the allegation is that three times there were plans drawn up to take out a terrorist camp in northeastern Iraq in an area of Iraq that Saddam Hussein did not control that was a Kurdish controlled area who we had very close relationships with, and according to an NBC News report and their sources, we did not attack that camp because it would interfere with support for the war. Do you know if that story is true or not, Secretary Rodman?

Secretary RODMAN. I do know something about the planning. We had our eye on that location, Kirma, but I am not sure I agree with the characterization of, you know—of the decisions that were made. Any kind of operation is complicated, and I do know that we had our eye on that location. There were discussions in the Administration and obviously nothing—no attack was made, but I don't recall anyone discussing on either side of the discussion anyone saying, well, no, we don't want to do this because it will interfere with a plan to go after Saddam. I mean, you could have made the opposite argument that it would—if we had found something interesting there, it would have—could have strengthened our case.

No. Any operation that one thinks about is complex, and there are always arguments, pro and con, and I am certainly not going to prejudge or pass judgment on ultimate decisions. But I think—

Dr. SNYDER. If I might interfere, because my time is running down. You say we are not going to pass judgment. The purpose, in my view, of the Congress when we look at past events is not to pass judgment, but to figure out what went wrong and how not to have it happen again. We have a situation here where the Congress and the American people acknowledge in a bipartisan manner we have had some real problems with intelligence gathering and processing and have had it for years under both Democratic and Republican administrations.

But I think the issue here is you said we have kept an eye on it. I have got—you may recall in Secretary Powell's—Secretary of State Powell's discussions before the U.N. February 2003, he had

a picture of this camp, but keeping an eye on it, we kept an eye on it. We had our man in Jordan, we believe, assassinated by this group after one of these plans was put forward, and according to NBC News—and I don't know if the report is true or not. So I would hope that the Administration will provide information to the American people that points out this report is not true, because if it is, it is a very damning indictment of how we use the good intelligence that we have.

Secretary RODMAN. Let me just say one thing. Whatever the—I am not aware of any evidence that the reasoning behind not hitting that target had anything to do with the reason that you have given. I think we—the decision to go to war with Iraq was being made at a high level and for reasons that we have all discussed and we all know about.

My understanding is that the decision on that particular target was made, you know, for other reasons. I don't think—I never heard any discussion that that would be the reason not to go after it, because somehow it would interfere with some pre—you know, predisposition.

Dr. SNYDER. Are you a member of the National Security Council, Mr. Secretary?

Secretary RODMAN. I am not a member of the National Security Council, certainly not.

Dr. SNYDER. Thank you.

The CHAIRMAN. I thank the gentleman.

Mr. Hefley.

Mr. HEFLEY. Thank you, Mr. Chairman. We keep talking about transferring sovereignty July 1st. I am not sure exactly what that means, and I wonder if you could help us understand that better.

First of all, do you think we will hit that target? Because that seems like a tough target to hit. And then when we say transferring sovereignty, does that mean we will have fewer troops in there? Does it mean that the Iraqis will be making their own decisions or we will still be making the decisions behind the scenes from our embassy? What does transferring sovereignty mean?

Secretary RODMAN. Let me start. It doesn't mean that our troops come home on July 2nd. It changes the legal status of our presence there. It obviously changes the legal situation in the country. As you suggested, the Coalition Provisional Authority (CPA) will turn into an embassy, but our expectation is that the—I mean, the most important thing from the Department of Defense's point of view is that the Iraqis understand they still need us, and nothing changes dramatically on July 2nd as opposed to June 30th in terms of their desire to have us there to continue the job of training, supporting them until they are able to take that responsibility on, but we would be there on a different basis as a partner of an Iraqi government on the model, perhaps, of Afghanistan, where a sovereign government was restored in Afghanistan at the end of 2001; and we have been there, you know, with the consent of the Afghan government, as a partner of the Afghan government.

So operational things will not change, and I quoted from the November 15th agreement in which the Iraqis understand perfectly well that our coalition forces will need wide latitude to do their mission. And as General Abizaid was saying, the numbers of forces,

other operational things will depend on circumstances, and, you know, the magic day of July 1 doesn't predetermine those decisions.

General ABIZAID. Sir, with regard to military forces, there will be a number of things we will do differently as a result of sovereignty being transitioned, many of which we are working on right now. For example, trying to assist the Coalition Provisional Authority in building administrative defense, that still has yet to emerge, and it very much needs to emerge quickly.

So we will build a new headquarters. We will have a new headquarters, Iraqi officers that we are looking at very hard now in terms of ensuring that they have not committed any crimes against the Iraqi people and that they are supportive of a new representative government forming in Iraq. We are building Iraqi chains of command, as I have mentioned before. Throughout the country, we are building what we call joint core Nation centers where Iraqi military, coalition military, coalition civil police advisers and Iraqi police units come together and discuss security activity that has to take place.

Iraqi intelligence capability will be built by other agencies of the U.S. Government to give them a capability to conduct the intelligence activities necessary to protect the state. And counterterrorist capability is being built, as well.

And as we transition from the period of what I would call perceived occupation to a period of partnership, it is very, very important that we give Iraqi military and civilian personalities that are responsible to the government an opportunity to take authority and take actions to be more involved in the security of the country. There are areas where we have already repositioned forces out of the urban areas, for example, because we think that the police forces and the ICDC units are capable enough to maintain control there, and we certainly look for the period ahead as one in which most operations that are conducted inside Iraq are joint operations with American forces, with Iraqi police, with Iraqi ICDC units.

And another thing we are doing, as we move to this main effort of building Iraqi security capacity as opposed to counterinsurgency, you will see a large number of American special forces and regular force people assigned to Iraqi units to mentor, train and provide linkages with the air system and other combat multipliers to make these forces more effective.

So from our point of view, after 1 July, we will do everything in our power to change the effort to building this Iraqi security capacity as our main effort, as I said.

Mr. HEFLEY. Thank you.

The CHAIRMAN. I thank the gentleman for his question. It is an excellent question, and I just—to follow up briefly, general, making this handoff is critical, and the question is always a balance of how much responsibility you vest in this new stood-up military and how early you vest that responsibility and how much you, on the other hand, withdraw the American area of responsibility (AOR) as this new force fills that area.

What is your take on the present state of the leadership in this new Iraqi military and their ability to undertake this responsibility under what we now understand will be some pretty difficult circumstances? We know there is going to be explosions in Iraq for

a long time to come, long after the Americans are gone and even after they have a stable country with an enduring government.

General ABIZAID. Sir, right now, I would say at the low unit level, especially in the Iraqi Civil Defense Corps, we would call that battalion level, and below the leadership is solid and it is capable; but above battalion level, both for the army and the Civil Defense Corps, there essentially is no strong Iraqi leadership, but we will endeavor between now and June to move it along as quickly as we can. It will not be ready to assume the responsibilities of defending the state against outside aggressors or against the terrorist forces that are operating within the country by the 1st of July. And when I say it is not ready, I mean that the leadership will need time to organize, time to get their equipment in place, and they will also need time to think about how they function in a representative state as opposed to a dictatorship.

As you know before, the mentality in the Iraqi army was one of summary executions, was one of moving into villages and essentially doing whatever you wanted there to include people and include killing people. And so this attitude of the army being served by the people is one that has to be changed, and it won't happen overnight. It is one that will have to continue to engage with them for a long time ahead.

So I am confident that there is a professional cadre of soldiers even from the former Republican—or even from the former Iraqi Armed Forces that can lead the Armed Forces in a cooperative way that is beneficial to the state.

But the education process, the training process, the equipment process will take some time. There are areas of the country now where the Iraqis have very good control of security. Up in the north, down in the south, in some key cities inside what used to be former regime-controlled areas. And we do not intend, in any way, shape or form to abandon these immature security formations to their fate. We will have good levels of coordination, and when they want their help, they want help from us, we will come to their aid. And if they get in trouble and they don't ask for our help, we will still come to their aid. But ultimately, the idea is for them to become strong so we can leave.

The CHAIRMAN. I thank you, General.

Mrs. Tauscher.

Ms. TAUSCHER. Mr. Secretary, General Abizaid, first let me say, general, how thankful I am for your service and your dedication and for all of our fighting men and women in your AOR that have done such a masterful job, both active and guard and reserve. I think we are all so proud of them.

I read in today's Washington Post a story by Walter Pincus and Tom Ricks, which is significantly disturbing in the fact that it pretty much lays out the dangers coming forward for us on this transfer of power.

Let me just quote very quickly. Signs have been growing that there will be more violence as different religious, ethnic, political forces seek power at a time for transferring sovereignty grows nearer, said one senior analyst. Several defense experts predicted intensified unrest as the transfer of sovereignty approaches. Quote, "We should be expecting a pretty violent period ahead on featuring

both spectacular suicide attacks and intensified resistance operations."

It is clear that—and by the way, I think that General Mark Kimmitt is doing a phenomenal job, and I think his physical presence and the way he is handling a lot of these interviews is very, very comforting to many people in my district, but at the same time it appears that it is very difficult for us to get really good intelligence about these suicide bombers. We know that they are able to be successful specifically in Israel and Palestine and that they are a tough nut to crack.

But there is also some talk out there that to hand over control of the country, unless we have some basic predictable level of security, and that is going to continue and the confidence that we can build in that, that it is going to be very hard going for us.

As you move—as you discussed in the last couple of questions, as you move to integrate and expand the Iraqi security forces, you are going to be layering on top of them much more of an American presence. My concern is, is that really puts our fighting men and women who are in a dangerous path all the time in a much more significantly dangerous place as they move toward a more transitional policing kind of effort.

Can you just discuss with us your sense of all of that, what the next five months are going to bode for us in those transitions, and if there are things that we can do to help you create a much more safe environment and force protection.

General ABIZAID. Thanks very much, Congresswoman. I certainly appreciate your support, and I agree with you about Kimmitt, as well. He is a great guy.

This is going to be a dangerous period that we move towards. There is no doubt about it, and I believe that the extremists on either end of the spectrum will move very hard to derail this effort. They will continue to target Iraqi security institutions. They will continue to target people that are cooperating to make Iraq a better place, and they will certainly come to target Americans.

But if we are to be successful in Iraq, I think it is absolutely essential that we move toward a spirit of partnership with the new Iraqi government that allows them the authority necessary to build their own nation, and in giving them that authority, it also means giving up some of the control that we have on security, and it means exposing some of our special operation soldiers to the dangerous tasks of living, eating and fighting with Iraqi units that will be on the front lines. But the truth of the matter is we are all going to be on the front lines out there. There is no rear area that is safe.

I believe that, unfortunately, there will be more casualties ahead for us and for the Iraqis, but I also believe that with strength and perseverance and partnership, we will defeat the extremists. And as long as the political process moves forward in a coherent fashion, that we move toward a transitional government that is regarded as being legitimate by Iraqis and as long as the process has, as its end game, an independent Iraq that will not have any foreign forces there other than those that are invited, then I think there is a very high chance of success.

And while it is absolutely true, as you said, that it remains a dangerous place, and it is probably going to become more dan-

gerous in some respects, the amount of progress that has been made in Iraq is absolutely incredible. When I think of how things were the first time I went back there over a year ago or back in April of 2003 to what it is now, I am absolutely astounded by how far we have come. But the terrorists have gotten themselves established. They must be defeated. Our intelligence systems must continue to work very, very hard to identify them, precisely target them and kill them, and we will do that in conjunction with the Iraqis. And ultimately, ultimately it will be Iraqi intelligence and Iraqi counterterrorist groups that eliminate this threat completely from Iraq, and I am comfortable and confident that they have both the will and the desire to do this.

Ms. TAUSCHER. Thank you, General. Good luck.

General ABIZAID. Thank you, Congresswoman.

The CHAIRMAN. I thank the gentlelady.

The gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman. Thank you, gentlemen, for being here today and sharing your time. And first, General, thank you for the terrific job that you are doing and all of those soldiers and sailors and airmen and Marines under your command in a very large theater.

I have a very short period of time, and I have two or three issues I would like to cover, so I will try to move on quickly. We talked about rotation in Iraq, but you pointed out that you have troops in the heart of Africa. Can you share with us very briefly what the plans are there? Are you doing a troop rotation in the Horn of Africa? And if so, how is that going?

General ABIZAID. Sir, thanks very much for bringing up our effort in the Horn of Africa, because it is really my view of the way we ought to be doing things throughout my area of operations, and I look forward to the day when the size of our force in both Iraq and Afghanistan gets down to the point of what it happens to be in the Horn of Africa. And we are at 1,400 troops that are serving there, and it is primarily a headquarters and quick reaction and training establishment that does a very, very good job in helping the regional nations help themselves.

And, ultimately, I think this is the way that we need to operate throughout the broader Middle East in the CENTCOM area of operations. And the commanding general there, Brigadier General Master Robinson, has done a fantastic job in developing relationships with local militaries, developing intelligence-sharing mechanisms, working with their counterterrorist forces to make them more effective. And of course, we are doing it in an area that is very volatile, very poor and includes one failed state, which is Somalia.

That having been said, I think the visibility that this headquarters provides for us in the region, the linkages it provides to allow us to cooperate against the terrorist enemy that hasn't yet gained a full foothold there is impressive; and while there is a lot of work to be done out there, we have got probably more bang for our buck from those 1,400 people out there than a lot of people imagine. It is a great job done by great people in a tough part of the world.

But the local forces in the region, just like throughout my entire area of operation, no more want Osama bin Laden to be the winner of this great struggle of ideas than you can imagine. They are committed to having the opportunity to live a better life, and that means, number one, that you can't allow the extremists to win. And the levels of cooperation are good; an awful lot of good work has been done there.

So I am very satisfied with what has been done there. I hope to continue the operation with the support of the Department over the next six, seven months or so and continually reevaluate its effectiveness, but my evaluation of how it is going there is that it has been very, very effective for very low cost.

Mr. KLINE. Thank you. And you are not concerned when General Robinson and the 1,400 troops there are replaced that you will lose some effectiveness?

General ABIZAID. Well, I am concerned about General Robinson leaving, because he is just one of those unique kind of people that know how to do that better than anybody I have seen before. So his successor better be good, but I am sure he or she will be.

Mr. KLINE. Thank you, General. Sort of following the theme that I am working here is this transition in lessons learned, if you will. I guess that is the phrase I am looking for here, that whoever replaces him and those 1,400 troops are going to have to have learned some lessons from those soldiers and Marines that are in the Horn of Africa now. And the same thing is true in Iraq, and I have spent a fair amount of time talking to majors in the Army and in the Marine Corps here of late, those who served in Iraq and some of whom are going back in the case of the Marines, and we have seen stories of lieutenants and captains and sergeants using the Internet and scraps of paper and so forth to tell their successors, those following them, tidbits of lessons learned, tactics, how to drive, which side of the road, when to turn, that sort of thing.

So my question to you, and it is my last question, is are you comfortable with the way those lessons are being learned back here through this service effort and with your own efforts in theater? Do you feel like we are passing on what we need to pass on to those coming behind?

General ABIZAID. Sir, I believe that the system of lessons learned that I see implemented through the Joint Forces Command, for example, is better than I have ever seen it before. We have people from the Joint Forces Command that work lessons learned that are embedded in our headquarters nearly full-time, both in Qatar and up in Baghdad and out in Afghanistan. They have done a lot to pass the information from in-country experience to the troops that are training back in the States to the—especially in the case of the United States Army, to the training centers.

So although I haven't visited the training centers since I have been in command, because I spend most of my time in the Middle East, I understand from General Schoomaker, who was talking to me about it the other day, that they have significantly refined the training in the National Training Center, Joint Readiness Training Center (JRTC) in Louisiana, and also the training center in Helmstedt, Germany so that it replicates some of the threats that the troop will face throughout the region.

So the lessons learned process is alive, and it is well, but the most important way to learn the lessons of the theater is to be in it. Sometimes those are very hard lessons that young leaders learn. There is clearly no doubt that this is a sergeant lieutenant and captain battle, and these young people have gone into harm's way in a way that we really haven't seen since Vietnam, Korea and World War II, immediately after being commissioned or arriving at the rank of sergeant, and their remarkable way of living in this most difficult of all military environment of counterinsurgency is absolutely remarkable.

I marvel at their ability to understand the enemy, to understand the people, to apply effects against the enemy and at the same time, be compassionate enough to keep the people on their side as much as possible, and I think that we are building an armed force that has tactical savvy and operational capability unequaled in the history of our Nation.

Mr. KLINE. Thank you. Thank you very much, general. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Georgia, Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman. Actually, my first question is for you, and it follows up on what Mr. Kline just made mention of. I was going to ask the Chairman and not General Abizaid about these reports that we have been seeing, communications over the Internet, company commanders, lieutenants, et cetera, who have been there and have tips to pass on. I thought it would be very helpful to the committee if the Chairman could ask the committee staff to filter through all of that. And I am sure it is very voluminous, and put together a packet for all of us to review. The information that the committee staffs thinks would be helpful for us to have a better feel for what is going on on the ground as reported by these ground commanders. I think that would be very interesting.

The CHAIRMAN. I think the gentleman makes a good recommendation. I think some of the things we probably want to put together, make available to all members, but maybe in a classified session so we don't tell the world what is working and what doesn't work. But I think it is a great suggestion. We will work on that.

Mr. MARSHALL. Thank you, Mr. Chairman.

Thank both of you for being here. I can't tell you how helpful this sort of thing is to all of us. I know it is not necessarily the most pleasant part of your duties, but thank you for that, and thank you also for your service.

Mention has been made of the Zarqawi letter to Osama, I understand from what I read in news reports, and I have also seen excerpts from that letter in news reports, and I was wondering if it would be possible for members of the committee to get a translated version of that letter as well as a copy of the original letter itself so we could see what it looks like and then see the translated version of the letter. So that is a request that I have, and I am sure that all members of the committee would be interested in seeing that.

Secretary RODMAN. I will look into that.

Mr. MARSHALL. Thank you. And there may be sections that you have to excerpt, you know, but to the extent that—and if we have to receive it in a classified fashion, then that is fine. I am sure we would be willing to do that, but it would be very helpful for me to see that.

I have been in Iraq twice. The last trip was with General Schoomaker, and one of the places we visited was pararescue team (PRT) Gardez in Afghanistan. Their mission, it seems to me, involves an awful lot of things that civilians would typically be doing, the interagency folks. And yet, if I recall correctly, there was only one civilian present, roughly 100 soldiers, maybe 40 or 50 assigned to security and the balance assigned to—some to soldier missions and some to missions that civilians would typically be doing, it seems to me.

And in both trips I have heard—and then I have heard from colleagues as well—that it has been difficult for us, for Mr. Bremer, for the CPA, to get the kind of civilian expertise over to Iraq that we would like to have there in order to further the mission.

General Abizaid, one of the process of transforming the military—I very much support what General Schoomaker's vision is. When General Schoomaker was testifying before the Armed Services Committee, I asked him to think a little bit outside the box, outside his particular lane, and think about what—if you could do it, if you could add people, add capacity right now to this effort in Iraq, in Afghanistan, what would you be adding? I frankly think the transformation process that we should be as a country thinking about is much broader than just DOD and approaching these kinds of efforts, the initial conventional conflict, that is a straight military deal. Once the initial conventional conflict is over with—and I expect these are going to be fairly brief conventional conflicts. Hopefully we won't have any, but if we do, they will be brief.

Then we are going to be in this drawn-out period that we find ourselves in now where different capacities are called for, and it seems to me that the capacities that you would like to see is the theater commander go well beyond simply military capacities, the sort of things that we can put into the theater given the sorts of abilities that we have, personnel-wise, technically, et cetera.

So what would you like to have that you don't feel like you have, and broader than just the military?

General ABIZAID. Congressman, thanks. That is a great question, and also thanks for visiting over there. We appreciate you going. As a matter of fact, Mr. Chairman, we would like as many of your members that can get over there to come by and see what our troops are doing.

The CHAIRMAN. I might say on that point that Mr. Marshall's trips to the theatre are greatly appreciated, as are all of our members, and practically every member of the committee has been over at least once. So they have taken this very seriously.

General ABIZAID. We support you as much as we can. Sometimes timings don't work out for us because of various other commitments, but you certainly have my commitment to help you continue to see the battlefield.

Sir, the situation with regard to fighting this type of war, I mean, this type of a war is—it would probably be a surprise to hear

a military guy say, one, that is not going to be won by the military alone. It requires a synchronization and coordination of national power, of information, of economics, of politics, of diplomacy and of military power. And unless that all comes together in a way that is coherent and it not only includes national power, but also international power, then it becomes very, very difficult to stop this ideological movement that has some attraction for the extremists in the region.

And as I look at the things that are very effective to us throughout the area, we have a lot of military capacity doing things that could be done by other civilians from other international or national organizations.

For example, you mentioned the provincial reconstruction teams in Afghanistan. It is a huge—huge efficient way for us to cause the writ of the central government to be seen out in the provinces, and we have been very, very satisfied with the results that we have had, but it can't only be a military face on that provincial reconstruction team, because one of the things that we are trying to teach people in this part of the world is that the military doesn't solve all the problems. Indeed, the military needs to be led by civilian authority.

And as I look out to the future of the Global War on Terror, had this requirement to ensure that we have got good intelligence capabilities and excellent civil construction capabilities at the right time and the right place, it is clear that we need to open our thinking about how to organize ourselves on the civil side to allow that to happen more efficiently, without the long lag time for recruitment, without specific timelines about 90 days in the theater or so, because 90 days is just enough time to get there, learn it and then leave, and often there is a gap between important people that isn't efficiently covered. And we lose capability and efficiency there.

But as I look at capabilities that I know we have got to have, whether they be military or civilian, the first and foremost happens to be intelligence professionals. We must have people that are willing to go into this area, develop intelligence, understand the intelligence and work with comfort in the region, and it requires an awful lot of human intelligence (HUMINT) capability. And that is something that we desperately need more of.

We also need translators, interrogators, people that are culturally adept at operating in the area, dealing with people and causing actions to be taken on the civil side that allow for more efficient reconstruction.

Civil affairs, troops, civil affairs people, people that can organize nongovernmental organizations, they are all essential to this sort of thing. Police trainers, I mean, we know we need a lot of police trainers to help mentor the Iraqi police, and they shouldn't all be military policemen. They need to mostly be civil policemen. And as I have been associated with these efforts in Bosnia and Kosovo and elsewhere, getting police capacity rebuilt quickly is often the key to success, but it is the effort at which we are the least agile.

So those are some thoughts that I think we need to take very seriously, and we need to have a discussion, because this war is ahead of us for a long time, about how we organize ourselves to deal with the broader problems.

I am sure Mr. Rodman has got some better thoughts on it than I.

Secretary RODMAN. I will start with the broader—a broader answer.

When CPA turns into an embassy, that will be an opportunity—in fact, the necessity for us to look at how we want to staff our presence there, and we went through a similar exercise just recently in Afghanistan when a new ambassador went out there, we took that as an opportunity to look at how we staff him, are we doing it right, all of the different—and all the different agencies have missions there. And in both of these countries. So you are right to talk about that interagency effort, and we need to constantly reevaluate and look at what the needs are and fill the gaps there are there.

PRTs were mentioned in Afghanistan, and as General Abizaid said, the PRTs were conceived from beginning as interagency. The military component would be whatever is required. But there is a State Department person. There are United States Agency for International Development (USAID) people. I mean, three of them have Department of Agriculture people. So it was meant to be a creative device and a way to provide this kind of broad support. And it is very definitely something that all of the U.S. Government needs to be involved, and we spend a lot of—Secretary Rumsfeld spends a lot of time exhorting his cabinet colleagues to help out, and we need to do that.

General ABIZAID. Sir, if I may, I just want to say that I think it is very important for people to understand that our civilians who go over there and volunteer their time to work in these very dangerous circumstances have my greatest admiration and respect, and when I look at the job Ambassador Bremer, in particular, personally does, I can't think of a more courageous person in the country.

So I don't want to denigrate what they are doing, because what they are doing is essential, but I do think that as a Nation, we could do better in organizing how we approach bringing to bear the full capability of this great country.

Mr. MARSHALL. Thank you both.

The CHAIRMAN. I thank the gentleman.

The gentleman from Oklahoma, Mr. Cole.

Mr. COLE. Thank you very much, Mr. Chairman. First, thank you both for your service. I am in awe of the job you have done and the people that you lead, General. It is quite remarkable, and the country is very grateful.

You may have covered some of this in your earlier remarks, but just a couple things. I am going to jump on the map a little bit, but we have such a remarkable disparity in forces in Afghanistan and Iraq, obviously different theater, different missions. Are you comfortable in Afghanistan with what you have given the population, the terrain, number one?

And number two, I would be very interested in any observations that you have on either the similarities or the differences in training security forces in Afghanistan and Iraq, and particularly getting armies up and operational in those areas that can assist you.

General ABIZAID. I am comfortable with the force levels that we have in Afghanistan, and I am also very mindful of the fact that we are fortunate to have NATO in command of the International Security Assistance Force (ISA) operation in the Kabul area and also now beginning to consider NATO expanding into the northern tier of the country to build and take charge of provincial reconstruction teams.

A little bit of military force in Afghanistan goes a long way. We have been very effective in getting our forces up along the Afghanistan, Pakistan border area primarily and primarily in the southeastern part and south central part of the country, and we have had very good effect against organized Taliban and al Qaeda opponents. We see a certain amount of change in tactics in Afghanistan. As they have gone through a loya jirga process which has given President Karzai a tremendous amount of legitimacy and a move toward elections, the extremists become more and more desperate to undermine the legitimacy of the government, and so you see them reverting to more suicide attacks in Kabul and more attacks against nongovernmental organizations.

But I am comfortable that our military forces have the ability to find and destroy large groups of Taliban and al Qaeda operating inside of Afghanistan as they have demonstrated.

The real key for Afghanistan, just like Iraq, is the expansion of Afghan indigenous security capacity. Afghanistan will ultimately take charge of its own fate only through the efforts of Afghans, and we are doing a lot to build an Afghan national army, Afghan police forces, and we are looking very hard at the direction of the secretary with the way to replicate an analog to the Iraqi Civil Defense Corps inside Afghanistan.

Clearly in Afghanistan, you also have a different set of dynamics, the way the campaign was fought, the way the warlords control various areas, the way that the Presidential power has evolved, but there are good signs.

For example, in the Pashtun areas, we have seen a desire for reconciliation that we haven't seen in a while. We have seen governors down in Kandahar and other key provincial areas expand the rule of law into areas that had been pretty much the purview of the Taliban or other antigovernment coalitions.

General ABIZAID. So I am not underestimating the challenges ahead in Afghanistan, but after the Loya Jirga, I am more confident about the way ahead and more optimistic about the way ahead than I would have been, say, six or seven months ago.

In terms of the difference between training Afghans and training Iraqis, there is quite a degree of difference. A lot of it has to do in Afghanistan, especially with regard to training the National Army that people that live in Herat are not necessarily interested in going to Kabul to train to be part of the National Army and be stationed in Kabul as part of the central corps which we are building.

And I think you know, Congressman, that the idea is to build the corps around Kabul first and then move our way out. We are reevaluating that, and we know that we are going to have to train more regionally in Afghanistan than in Iraq. And that is primarily a function of being able to move easily around the country. It is

easy to move around Iraq; it is not easy to move around Afghanistan, as you know.

Levels of education are different. Professionalism of the officer corps is different. The type of organizations that have been fighting in Afghanistan for the past 30 years happen to be irregular and not regular. And so there is actually less of a challenge in Iraq in terms of regularizing, if that is a word, the armed forces than happens to be the case in Afghanistan.

But the bottom line for both countries is that we continue to have people volunteer to come forward to be part of the future, that are willing to fight for their own country, and they want to do it without us being around. And that is our plan, to build their capacity to the point where we don't have to be standing there with large forces looking over their shoulder. And I think that, given patience and perseverance, we can do that in both places, but it won't be without cost.

Mr. COLE. So, is it fair to say you are comfortable that we have not lost—that our effort in Iraq has not caused us to lose our focus in Afghanistan? I know there have been legitimate concerns expressed that we bite off more than we could chew or go further than we should have here.

General ABIZAID. As a theater commander, I have authority to move forces from Iraq to Afghanistan. So if I thought that there was a huge discrepancy where one was unduly favored over the other, I would talk to the Secretary and I think we would pretty easily make those adjustments. We have made those adjustments on special operating forces consistently. But it is not a matter of a large land campaign in Afghanistan at this point. The situation is much more tribal, much more agrarian, much less what I would call urban area to deal with in a way that is necessary in Iraq. So, it is—I think it is about right.

Mr. COLE. Well, thank you very much, General.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

And thank you, gentlemen, for your service and for your presentation today. I want to follow up actually in that line of questioning, and specific to bin Laden's location. There has been a fair amount of opinion that he is in northwest Pakistan, the border region between Pakistan and Afghanistan. And there were, interestingly, reports—I guess it was about a month ago now we started seeing in the news media that a major offensive was going to be launched in the spring. I found that interesting that we would give advance notice of that, and it later turned out to be not completely accurate.

But I get a lot of questions from people that if we know where this guy is within a—I don't know; I don't know what the mileage is there—within a fixed point on the map, anyway, why not just drop 50,000 troops over there and go get him? I am sure there is an answer to that in terms of where, you know, the logistics of it or whatever. But there is that feeling, because—you know, my opinion and I think the opinion of many people; I mean, the threat of bin Laden and Zawahiri in particular continue to pose to us is

extreme. And al Qaeda's capabilities would be significantly reduced if those two people were out of commission.

So, what is the thinking in terms of do we really have some certainty as to where he is? Even if we know he is in that area, still does it work militarily? What is the approach to that?

General ABIZAID. Congressman, we do not have any certainty of where bin Laden or Zawahiri happen to be. And I have seen the reports, I have seen all this talk about the spring offensive, I have seen reports by some of our younger enthusiastic officers in the theater about how we are closing in on them. And I have had people say, I understand we have got him surrounded and he is under observation.

If he was surrounded and under observation, we would have him exactly where we want him. But the truth of the matter is, that individual manhunts in this part of the world in particular, and in addition to the fact that it is complicated by the border between Pakistan and Afghanistan, make it very difficult to say, with any degree of certainty, where one human being happens to be.

On any given day, I could probably roll out four or five different reports from four or five different agencies that widely report him as being in Afghanistan, in Pakistan, and other places.

Mr. SMITH. Is there confidence, though, within that region? I mean, there aren't any reports saying that he is in Central Africa all of a sudden. I mean, is there a fair amount of confidence that he and Zawahiri have stayed in that region at least?

General ABIZAID. My belief is that the two of them happen to be located somewhere in Pakistan or somewhere in Afghanistan. But that is a lot of territory.

And so, the other thing that I think we need to give the Pakistanis important credit for is the fact that they are stepping up their operations in an area where they haven't had a lot of military capacity, and they are putting pressure on their side of the border on the al Qaeda organization as we are on our side of the border.

The notion of a spring, winter, fall offensive and counterinsurgency is really kind of an outdated World War II sort of notion. We are conducting offensive operations now in areas that we think are high payoff.

Mr. SMITH. Any idea where that story came from? Because it seemed to be fairly persistent. It should have come from somewhere. I mean, the media doesn't usually just totally make things up. They frequently get it very wrong. But is there any idea where that came from?

General ABIZAID. Well, I think there is always this idea that spring is the campaigning season in Afghanistan. And there is clearly a desire on our part to continue to step up operations; and when there is areas that have ten foot of snow in them right now, we don't operate in them, and we will be able to operate in them better in the springtime.

So to the degree that we will pick up operations in certain areas that are now inaccessible to us, as the weather improves, then I would say that is where it might have come from.

Mr. SMITH. Could I ask about one other area? And that is the Shia and Iraq and our relations with them. Certainly it has been a tense but not always negative relationship. And certainly there

is developing an "enemy of my enemy is my friend" potential there. I mean, it is the Sunnis and the other—not all Sunnis, but certainly the Islamists are targeting Shia far more than they are targeting us. Has there been an improvement in the relations? Obviously we saw from the attacks yesterday, as you mentioned, they are trying to blame it on us and there was a hostile reaction even when the forces showed up to help. Is there any way to exploit this sort of new reality that is developing there that we and the Shia have a lot of common goals all of a sudden?

General ABIZAID. Sir, I think ever since the first day we entered into Iraq, the large majority of the Shia population understood that this was an opportunity for them to have a stake in the future of the new government, however it would emerge, that they have never had before. And to the degree that they consider us to be successful, there is a commonality of interest that emerged there that allow us to move forward together.

My relationship with the members of the various Shia governing council members has been quite good. It has been collaborative, it has been cooperative. We pass an awful lot of important collaborative security information between us and key Shia leaders in order to help them understand the dynamic that is going on in Karbala and An Najaf to the extent that we understand it. But it is—sometimes we undercomplicate our description of Iraq to our disservice. It is almost kind of a Bosnia sort of mentality where we want to say, look, there is three ethnic groups: The Kurds, the Sunni, and the Arabs, and those three are somehow or another never going to be able to make it together.

But the fact of the matter is, this is a hugely complicated intermingling of people where you have tribal elements that are both Sunni and Shia, where you have a lot of intermarriage, where you have got a very high percentage of people in the Shia community that are very secular-oriented, where Sunnis and Shia profession also operate together at a whole range of different levels. And I think because there is this sense of being Iraqi and there is this sense of the Nation being able to overcome all these obstacles, that it is unlikely that things move toward civil war. But are there going to be people on all sides that blame us for whatever goes wrong in Iraq? I think as long as we are there, the answer is, unfortunately, yes. But I think most people, given the opportunity to think about it and walk away from the emotion of the moment, understand that our role there is essential if they are to emerge as a moderate and responsible member of the international order. And the Shia will play a very, very important role in that, although not necessarily the dominant role. I know of no Shia block that people talk about that I would say will emerge dominant.

Mr. SMITH. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And Mr. Secretary, General, thank you very much for being here today. And I want to thank you for the past year; it has just been extraordinary, March 2003 to March 2004, the historic successes that I believe that both of you have been very instrumental in helping protect the American people in the war or terror. And I have

a special interest very much in this in that I have a son who is currently in Kuwait, shortly will be in Iraq. We are very proud of his service. In fact, he will be joining, at least in the same country, with the son of our chairman, Duncan Hunter. He has a son who recently, within the last week, has been deployed to Iraq. And so as we discuss the rotation, do understand that we look at this as parents in addition to being Members of Congress.

Additionally, I am grateful that I had 31 years service with the Army National Guard, until last July, and I know firsthand the dedication of our National Guard members and Reservists. They are so enthusiastic and well-trained. And with the proper equipment, they truly are ready to do all they can to protect our country.

Another interest I have as co-chairman of the India caucus is the country of Pakistan. And in particular, Mr. Secretary, we are in a post-Cold War, victory in the Cold War-era, and we are establishing a great relationship now with the world's largest democracy, being India, by the world's oldest democracy, being the United States. And so there has been a tremendous step forward with joint military exercises, with trade, with scientific activities; on every level there is a new relationship with India. But we have had a 50-year relationship with Pakistan. A concern I have. I don't want this to be a destructive relationship. I want it to be mutually beneficial between the United States, India, and Pakistan. What would your view be on that?

Secretary RODMAN. It is a good and important question. I mean, I have been personally associated with a number of the historic steps that we have taken with India, the creation of a defense relationship for the first time, the high-tech trade initiatives that are more recent. But I think we have been very fortunate in the last couple of years to have been able to develop both of these relationships. And certainly each one is a little nervous about what we do with the other. But if we pull this off, what we will have achieved is, I think, a stronger relationship with each, each being treated in its own right.

The Indians, as you know, don't like being treated as a part of a hyphenated formula, they want to be treated in their own right. And that we have done.

But we have important interests with Pakistan that are, of course, obvious in the things we are talking about today. And we believe President Musharaff is doing extraordinary things. And our relationship with Pakistan has been productive. We are putting a lot of demands on him, in fact. We want more cooperation in the border area, we want him to work with India and dampen the Kashmir crisis.

We are pleased, I have to say, that the recent revelations about A.Q. Khan—this is in fact another historic development—was something we have wanted for a long period of time is to see A.Q. Khan put out of business. And this is happening and it is a positive thing. And so a lot of pressure—we have put a lot of pressure on Pakistan in the last few years, but I think our judgment is that we have a stake in the success of what we consider a moderate, friendly, cooperative, courageous government in Pakistan right now.

Now, if we pull it off and we do gain influence with both, we will use that influence to make sure that they are, as I mentioned, re-

solving their own differences, and so that in the end, it should not be a zero sum game.

So that is the strategy we have, and we are hoping to have a strong, long-term relationship with Pakistan for the purposes we have discussed, and as well as continuing to see this relationship with India flourish, which I believe it has been doing.

Mr. WILSON. And I appreciate your efforts very much.

And, General, I have to say, as we look at Pakistan and it has been generally discussed with Congressman Smith in regard to the efforts of working with the Pakistani military, there has been success or efforts made to reduce tension in Kashmir with President Musharraf, with Prime Minister Vajpayee. And as I look at the borders, I am concerned about the borders of Pakistan with India and Kashmir, and obviously, additionally, with the borders with Afghanistan. What is your view about the efforts of the Pakistani military to maintain its borders to the east and west and to the north?

General ABIZAID. Congressman, let me comment on a couple things you said before.

I just would like to say that, like you, I really value the efforts of the National Guard and the reserve component in making this mission possible. It couldn't be done without them. The new force in Iraq would be about 30 percent from the reserve component—37 percent, excuse me. And that is obviously essential to success.

And also, as a parent who also shares members of the defense team, I want to thank you and the Chairman for having your sons and daughters participate in this great endeavor.

Pakistan is really important to me as the theater commander, because Pakistan is the largest independent Muslim country in my area and it is also the key to the fight against extremism in many respects. And I believe that President Musharraf has been as courageous as any leader can be in facing this threat and this challenge. He has narrowly avoided assassination just recently twice. And that is happening because people are afraid that his move to try to bring Pakistan back on to a moderate course might be successful. And so the efforts that he expends to cause moderation to be successful there is vitally important to our Nation and to his own nation. And so we share a common interest.

I am most familiar with how things are going on the Afghan-Pakistan border. And I can report to you that today things are a lot better than they were a year ago. The level of cooperation between us and the Pakistanis and the Afghans in the border area is very good. There are invariably times when problems erupt because of soldiers operating in close proximity to one another. We have increased the level of cooperation; we have increased the level of visibility of what is happening on either side of the border; we have increased the level of sharing of information; and we have a tripartite border commission that meets with Afghans, Americans, and Pakistanis at least once a month, but usually twice a month, to iron out difficulties. We have the move of Pakistani military into the areas of Waziristan and the other border provinces is actually unprecedented, and it is having good effect, and I believe that we will see some benefits in the months ahead from Pakistani military

operations that will give us a chance to put al Qaeda, that is operating in Pakistan, under great pressure.

I would also like to point out, and a lot of people don't understand, that the Pakistanis have been responsible for the apprehension probably of more members of al Qaeda than any other country that has been aligned with us in this effort, and we should be grateful to them for that.

With regard to the problems between India and Pakistan primarily based upon Kashmir, there is nothing more important that I could think of than coming to some sort of a sensible conclusion to the problem that allows for a peaceful and just settlement. That is easy to say, hard to do. I am very encouraged by the fact that they are talking. I am encouraged by the fact that when you think of where we were a couple years ago, on the verge of nuclear war, that we seem nowhere close to that.

But I think we should not underestimate the attraction of extremism that is fed by the Kashmir problem and by the difficulties of the Taliban and other extremist groups up along the Afghan-Pakistan border. There has been a true problem in the educational system of Pakistan that has allowed an extremist brand of education to really cause people to move in a direction that is not good for Pakistan or for anybody else in the region.

So, it is not just a matter of helping President Musharaff with India or help him in conjunction with his military operations in the Pakistan-Afghanistan border area, but in facing the problems of extremism that have just gone on too long throughout the country that, if they are not faced now, will be a huge problem for President Musharaff's successors.

Mr. WILSON. Thank you very much. And I want to thank again what you have done. I am so proud of our troops. And I appreciate you recognizing that India has lost over 60,000 people due to terrorist activities across or on their border. So it is that serious a problem.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Larsen. Excuse me, Mr. Larsen. I promised the ranking member that he could get a word in edgewise here sometime back, and I forgot about it.

Mr. LARSEN. I am more than willing to give up a little bit of time.

The CHAIRMAN. If you could indulge him for a second.

Mr. SKELTON. Mr. Chairman, thank you.

And I apologize, Mr. Larsen.

Let me ask this, General, if I may. We have had 524 American deaths. But let me refer to the Iraqi deaths, if I may, a report of civilian deaths resulting from the U.S. military-led intervention in Iraq. According to various news reports, since May 1, 4,029 on one figure and 4,866 on another.

So, what is your assessment of the willingness of the Iraqi people to tolerate casualties as they move toward transition of sovereignty? In other words, is there a potential tipping point beyond which they will no longer support the effort?

General ABIZAID. Sir, my assessment—and I arrive at this assessment by going around and talking to Iraqi policemen and Iraqi

ICDC types and commanders and leaders. My assessment is that as their casualties mount, especially those caused by these terrorist acts by Zarqawi and others, that they are toughening up; that they desire to face the enemy, defeat the enemy. I have told you that there seems to be no shortage of people willing to volunteer to come forward to serve their country. And it is my assessment that their willingness to stay the course and to fight for better future remains very, very high. And if you consider how they were terrorized by the previous regime, which killed them by the hundreds of thousands, they probably actually believe that the situation has improved considerably with regard to their own personal safety.

It is a fight that, as always, if not accompanied by firm and courageous political leadership, though, will not be successful. They have to have Iraqi political leadership that is responsible and courageous. And if that doesn't emerge, then I doubt very seriously that the people down in the trenches will be willing to sacrifice to the degree that is going to be essential in the days and months ahead.

Mr. SKELTON. Mr. Chairman, thank you.

The CHAIRMAN. I appreciate the gentleman.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

And thank you, Mr. Secretary and General for spending some time with us this morning and into the afternoon.

A lot of questions have been asked about Iraqi security capability and capacity today. And it is a set of questions that I have been exploring, as well.

I wanted, General, to ask a few questions about that and to continue on with that theme a little bit. You had mentioned that one of the—sort of the yin and the yang here—one of the weak spots is the still building capacity of the Iraqi security forces. There is a ministry of defense that has still not been stood-up, and the chain of command still hasn't been established in the military side, although we are doing that on the police side and so on.

On the other hand, there is 200,000 plus security forces in service now spread among the ICDC and military and police. One of the ideas behind the troop rotation, at least we're told and was reported, was that the troop rotation was going to be conditional upon security on the ground in Iraq, that is, the decrease of the footprint from 130,000 and 105,000 U.S. military.

Given the fact that there is still a lot of these challenges left in creating the capacity and the capability in the Iraqi security force and we are yet shrinking the U.S. military footprint, what kind of metrics or standards are you using to make your final call about if we should have 105,000 or 5,000 U.S. military, or if we need to build it back up? What kind of metrics or standards are you using to look at the security situation on the ground to help make that decision?

General ABIZAID. Certainly the metric, Congressman, for Iraqi security capacity is a combination of measurable things, such as do they have their equipment? Do they have their weapons? Do they have enough ammunition? Do they have squad cars, radios, et cetera, which is very measurable? It also has to do with, are they getting paid? It also has to do with, are they getting paid enough?

But the most intangible type of judgment that we have to make is, are they ready? Are they ready to stand up and fight? Are they ready to operate as part of a coordinated team with units on their right and left or other organizations, et cetera.

And in making this judgment is one that will come primarily from our local commanders on the scene and also with our embedded trainers that will be with Iraqi units throughout Iraq. It also comes from places like the Jordanian armed forces that are doing a considerable amount of training of both police and officer candidates. And, as you know, the professionalism of the Jordanian Armed Forces is pretty significant. And so when their military officers talk to us about how their trainees are doing, it is an important part of the equation, as well.

But I do believe that we have made an awful lot of progress in terms of building the foundation. But in order to have an effective military or police organization, you have got to have the entire foundation linked to the structures of chains of command that take you all the way to the pinnacle of the roof in order to give the structure some coherency. And that is what we have to work on now. And I am confident that in the months ahead we will be able to do that.

Mr. LARSEN. Can I ask a question with regards to that?

General ABIZAID. Sure.

Mr. LARSEN. What kind of—because we certainly want to have a civilian authority over any security or set of security forces, military police, ICDC, border patrol, so on. What kind of connection is taking place and do you anticipate being in place after June 30th? That is, will there be a—is it being instilled in the training, that you report to civilian authority—today you report to this civilian authority, and on July 1, you are reporting to a different civilian authority, but in the end, you report to civilian authority? And how is that inculcation taking place?

General ABIZAID. Well, certainly in the formal training programs, it is taking place. In the mentoring style of our soldiers, I think it takes place to a certain extent by osmosis, because they know that they report to civilian authority and they know that it works, et cetera. But to a greater extent, we will have to get an effective ministry of defense that is established. When I say effective, I should say it should have its initial operating capability on no later than the 1st of July so that it can perform what I would call our Title X functions.

Operationally, military organizations will continue to report to us until the Iraqi chain of command develops an operational capability, and that won't be for some time. But as Iraqi—this whole equation of international forces, U.S. forces, Iraqi forces, which are many—they range all the way from some contract guards down at the oil fields to the new Iraqi Army—this total equation will start to allow us to bring our force down, provided that we move toward a political solution that allows for a soft landing. And if that happens, I believe that we are heading for success for both Iraq and for the United States of America and the international community.

Mr. LARSEN. Thank you, General, for answering those questions. I appreciate it. And the reason again I am asking these is to build on some of the things I have been thinking about, but also because

of the relationship of all of this to the security of the Iraqis, which I think clearly has a relationship to the security of the U.S. We need to be sure that when we do leave, that things are in place to counter any insurgency that is left, so that we don't have a country that—we don't have a failed state emerge.

General ABIZAID. Sir, the Iraqi members of the governing council have all spoken at some length and with some passion about ensuring that civilian control of the military is attained. And it is very important to them that they not be terrorized by their own security services the way that they had been for the most of their modern history. And so that will be a challenge, but I believe there is enough people of good will to allow it to happen.

Mr. LARSEN. Thank you.

The CHAIRMAN. I thank the gentleman.

Dr. GINGREY.

Dr. GINGREY. Thank you, Mr. Chairman.

Secretary Rodman, General Abizaid, we sincerely appreciate your testimony today.

General Abizaid, I want to echo the comments of my colleagues and thank you for your great work in a very, very tough situation. I think your performance is remarkable, and you are to be commended by all of us for what you have been able to accomplish. I don't think we can overstate that. And I sincerely appreciate it.

I want to make one comment before I lead into my question in regard to what my colleague, Congressman Taylor, Gene Taylor mentioned earlier in the hearing. He and I were part of the same small congressional delegation from the Armed Services Committee that went to Iraq in, I think, December 19th through the 23rd. And although we didn't discuss this, he and I, we didn't discuss this subject that he brought up, but I was thinking the same thing independently of him. And that is his comments regarding the fact that a commanding control of our four divisions—actually, we saw three of the four, who were all in these former Saddam palaces.

And I can't help but agree with him that it almost seemed a little bit like, I know unintentionally of course, spiking the ball in the end zone, if you will. And you made some comments about that. You may, you know—if there is time permitting, you may want to revisit that and comment on it. Because I do agree with him, and I am very much interested as we go through this rotation what we might do. Maybe it is too late in regard to that perception and that image, but I thought it was a good question.

General Schoomaker was with us last week, and he testified that one of the Army's top priorities in Iraq is force protection. And the General spoke specifically about the Army's efforts to retrofit Humvees and soldiers or use them with heavy armor among other things, body armor. But one component that we didn't spend a lot of time on was the Army's efforts to protect its aviation components in theater. There are planes that are currently deployed from my home district in Georgia, and really from all over the country that are not fitted with any type of defensive countermeasures.

Should these planes or helicopters, for that matter, be shot at by, let us say, a shoulder-fired missile—I mean, they are almost virtually defenseless in that situation. So my first question is this. I would like know what steps the Army is currently taking to protect

the aviation components in theater, helicopters and fixed-wing. We are, you know, particularly at a time now that we are going through this rotation and there are so many in and out.

And I guess I am specifically, though, wanting to know in regard to this particular aviation unit, which is a reserve unit as I understand it. In many instances they are taking people like yourselves and others into that theater. And are those planes protected like they should be?

General ABIZAID. Well, thank you, Congressman. First of all, thank you for the pat on the back. I also appreciate that. But I just want to say that the people that deserve the pat on the back are the young kids that are out there on patrol every night. I know you know that, but I sometimes think that I don't say it enough. And I just want to say what our young kids are doing out there day in and day out in Iraq, Afghanistan, and throughout the region is deserving of the highest praise and admiration of the Nation. And it is their efforts that make us successful. We generals, we can come and go, but they can't. And so we are sincerely grateful for what they are doing.

I agree with you on the palaces, by the way. And on those items of sovereignty, those places of sovereignty where we continue to have a true presence we need to move out of them when we can and when it makes sense; when it is practical. We will stay where we need to stay for as long as we need to. But there is nothing in Iraq, as I have said before, that belongs to us. It all belongs to the Iraqi people. And as we move toward this period of partnership, we need to figure out how we are going to transition from those places that are Iraqi public lands and move to places that are less obtrusive and allow the Iraqis to assert sovereignty over these areas.

In terms of force protection, in particular aviation assets, obviously it is a great matter of personal interest to me because I fly on these aviation assets a lot over there, in both Iraq and in Afghanistan. And it is clear that we have got to get a common standard against the threat that actually existed as opposed to against the threat which we hoped would exist. So the fact that SA-16s and 14s are found in the theater is very, very important for all of our people to understand. It is not just an SA-7 and a small arms threat, it is more sophisticated, and it requires outfitting our aircraft with the best countermeasure devices that are available.

And we need to pay particular attention to big aircraft with huge engines and signatures such as the Chinooks, for example, to make sure that we are getting everything we can out of our countermeasure systems.

Now, Congressman, if you will forgive me, I don't have the facts and figures. And I will provide it for you probably from the Army to give you an accounting for what they are doing. But they are extremely concerned about this. They have a task force that has been working the problem actively. They are working very hard to give these helicopters the best level of force protection that the country has to give them. And the same goes for our fixed wing fleet. That is also vulnerable, especially going into places like Baghdad International Airport.

That having been said, there is a certain amount of tactics, techniques, and procedures that we have got to make sure that we fol-

low that will help keep our people safe. And when you get complacent in Iraq or Afghanistan, it seems to be about the time when you start paying a price. So we have got to stay low, we have got to fly tactically, we have got to vary our routes, our times, et cetera. I mean, this is an insurgency; it is the hardest of all military operations to fight. And when we give the enemy a predictable target of a milk run at 500 feet along the same route every day, we are asking for trouble. And so, we leaders have to be continually active in telling our young pilots out there to not take stupid chances, but to do the right thing and fly tactically, use their best techniques; and then it is our job to give them the right equipment on their aircraft, and the Army is endeavoring to do that, as is the Air Force.

Dr. GINGREY. General, I thank you for your response to those questions. And if you could provide my office with some of the specifics, I would appreciate it.

Mr. Chairman, thank you very much.

The CHAIRMAN. I thank the gentleman.

Mr. Marshall, you had a follow-up question you wanted to ask.

Mr. MARSHALL. Thank you, Mr. Chairman.

We get five minutes, and that is nowhere near enough time, really, to get into a very serious subject.

Thank you both for your responses to my earlier question about what additional assistance do we need, would we like to have in Iraq and Afghanistan right now, and the difficulty with getting the kind of help that you would like to have from the interagency crowd.

Now, Secretary Rodman, you referred to Secretary Rumsfeld exhorting his colleagues to get their folks motivated and over there. And it reminded me of a story—I have got to be very careful how I say this since I think it was told to me in confidence—a story that a leader in our government now, who had shared with me. And it was, he met with, at the request of these individuals, senior National Guardsmen, and both an officer and a sergeant. And the request he expected when he met with these folks, that there was going to be a complaint that he needed to deal with. He actually wasn't very anxious to meet with them because that is what he expected he was going to hear.

And what he heard was: Sir, could you arrange to have our unit called up for service in Iraq? And he was a little startled by that. And he said: Why? I am a little surprised. Why this inquiry? Have you talked about this among yourselves? Have you talked with your soldiers?

And the answer was: Yes, we have. And we want to go. But there are two problems here. One, if we volunteer, then we may not be protected in our employment. And two, more significantly, how are we going to explain this to our families that we volunteered to go to a war zone?

That story, what came to my mind as you were describing the Secretary exhorting his colleagues: We can order soldiers to go and their families understand what those orders mean, but we can't do that right now, at least nationally. Apparently we can't do that right now with regard to personnel that we would like to have in this engagement.

So, I guess part of the thinking that we as a Nation need to be about is, how do we create a cadre of individuals with the kind of expertise that we are interested in having who are civilians, but at the same time can be directed to go, expect to be directed to go into conflicts like this?

Those are gone; no question about it. They are heroes. They are putting themselves in harm's risk without being ordered to do so. They are volunteering for our country. But we have got a large group of folks that we need help from who are reluctant to go, understandably so, and they are in this awkward position of not being able to explain to their families why they are volunteering to go do this. It is an additional hurdle that the soldier doesn't have, and it just seems to me to be a hurdle that we need to remove in the future for individuals we need help for in engagements like this. I think that is a national issue. Any comment would be fine.

Secretary RODMAN. Just to comment. I mean, I, too, should be careful about how I express this, because, in fact, some of the cabinet departments, like the Department of State, have done an extraordinary job in providing numbers of people who are out there on the frontline; the Central Intelligence Agency (CIA), USAID. So a lot of them—I mean, that I didn't mean this as a criticism of them, but this is a learning experience. I mean, other departments that don't usually get drawn into foreign entanglements are now finding themselves called upon to do this. And they are responding.

A Department of Justice team is going out very soon to help the Iraqis with this special tribunal, you know, that will try criminals. So it is happening. But I think for a lot of departments that don't have the experience at this, this is a new thing. So I think we will all be better off after this. And it may be that—not that I am eager for more interventions around the world, but we are learning from this.

Mr. MARSHALL. If I could, Mr. Chairman, just one more observation.

And any comment that you choose to make. You know, it also seems to me that as we look around the world, there are plenty of folks out there who have a comparative advantage over us. We have got the best Army in the world, no question about it, and person-to-person, the best soldiers in the world. But if we could motivate Iraqis to secure their own country, to police their own country, they are going to be much better able to do that than we are. And any soldier will concede that that is the case.

As you think about the kinds of talents that we need in an engagement like this, it goes beyond simply talents. You know, General, you made reference to human intelligence, and human intelligence on the ground in Iraq. If you put somebody who looks like me with my accent over there, I am not going to be able to gather much intelligence. If you put somebody over there who looks like an Iraqi, they will.

And it seems to me that also in shaping our national future we ought to be thinking about our allies—and, General, you made reference to the international community—who have a comparative advantage at dealing with places like Iraq. Turkey, certainly, although there are issues there. India, it seems to me, has a substantial comparative advantage, the largest Muslim population in the

world. They can drink the water, they are comfortable living the circumstances, et cetera, et cetera. And as we develop this national approach, it seems to me we might want to think about being even broader than ourselves within our country, a broader capacity development, it seems to me.

General ABIZAID. Well, sir, this is certainly beyond my level of competence, but I clearly believe that we need to have this discussion; we need to sit down and have this discussion that says, how can we internationally and nationally do better about applying our full-range of national talent and power to deal with these very real problems that we know if we don't deal with now will come back and haunt us later.

And I think back to all the various people that I talk to around the country, which—in my infrequent trips back here, but it never goes a day without people coming up and saying: What can we do for you? How can we help?

So the desire of people to help is great. Our ability to harness this volunteer spirit and get it applied properly is not great. And that is part of the conversation that we should have.

Another part of the conversation is, how do we ensure that international agencies, such as the United Nations, Cooperative for Assistance and Relief Everywhere (CARE), Doctors Without Frontiers, et cetera, are willing to stay the course in some of the tougher areas in which we operate. I mean, there ought to be a way that we can harness a better spirit of cooperation. There seems to be this mistaken notion among some of the nongovernmental organizations that operate in my part of the world that if they stay away from us, they will be free from attack. But that has proven to be just the opposite. The enemy has decided that they are a weak link that should be attacked.

So clearly, as we go against the problems evident in this part of the world, a closer spirit of cooperation would be beneficial. And it requires a new way of thinking. The U.N. flag, the Red Cross does not give you immunity from attack by people that are despicable terrorists, which is exactly what we are dealing with.

The last thing I would say is, it was remarkable to me to see a Florida National Guard unit—it was a battalion that was operating in Ar Ramadi—they have since gone home—that really was largely composed of people from the Miami Police Department. And this battalion was building a police force in a way that was absolutely remarkable. And the level of trust and confidence between the Iraqis and our National Guard soldiers who were doing that was absolutely amazing to me. But those kind of units—and that was a coincidence that that happened.

I mean, those kind of units are in short supply. And isn't there a way that we could harness that type of energy and capability and enthusiasm in a different way that doesn't take people or put people in uniform, but allows them to come over in their Miami Police Department uniforms and operate in a way that is long-term and good for all parties concerned.

So, again, it is outside of my lane, but it is a conversation worthy of having.

Mr. MARSHALL. And I guess, just to pick up on exactly that—and I am not going to keep you any longer, and I appreciate you staying as long as you have.

And your indulgence, Mr. Chairman.

But if you had a Turk or an Indian who spoke the language and physically resembled the population, they might be even more effective than an American police officer if they have the similar training in their countries. Their approximate—we outsource a lot of things these days. A lot of this could—we could probably find plenty of folks around the world with comparative advantage that we might be able to enlist in efforts like this, and I hope we think about that, as well.

The CHAIRMAN. I thank the gentleman.

Mr. Wilson, did you have any last comments?

Mr. WILSON. No, thank you.

The CHAIRMAN. Did you gentlemen want to respond? Any other comments you would like to make on Mr. Marshall's line of questions? Okay. I have asked the Ranking Member if he has any final comments or questions?

Mr. SKELTON. Just a special thank you, General, and Mr. Secretary. We appreciate your being with us. And we agree with you on your assessment of our wonderful soldiers. General, continue your good work. Thank you.

The CHAIRMAN. And General, Mr. Secretary, obviously this committee will continue to work with you and do everything in our power to make sure that you have the tools to get the job done. Thank you very much. And the hearing is adjourned.

[Whereupon, at 1:15 p.m., the committee was adjourned.]



A P P E N D I X

MARCH 3, 2004



PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 3, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

U.S. Central Command FY 2005 Posture Hearing

March 3, 2004

This morning the Committee will continue its review of the fiscal year 2005 defense budget request by turning our attention to the combatant commanders – those elements of the Department of Defense who are actually charged with fighting and winning the nation's wars around the globe.

Our witnesses this morning are:

General John Abizaid, USA
Commander
U.S. Central Command

Honorable Peter W. Rodman
Assistant Secretary of Defense for
International Security Affairs

Welcome to the Committee gentlemen. We look forward to your testimony.

For some time now, I've taken a moment at virtually every hearing to remind the American public that the United States is a nation at war. I don't say that for members of this committee, many of whom have visited the theater or have been in constant contact with returning troops. I certainly don't need to remind our witnesses, who are at the heart of our war effort.

I beat that drum because sometimes we sometimes see disturbing signs that our nation may be forgetting this essential fact.

As we meet today in the comfortable confines of Washington, D.C., American soldiers are on the ground in Iraq, Afghanistan, and around the world defending our interests, our friends, and our allies. Most importantly, they're defending the lives of their fellow citizens by draining the swamps that allow terrorists to flourish and grow.

That's why the political, diplomatic, military, economic, and cultural work that goes on in General Abizaid's area is so important. Even a quick review of the State Department's list of terrorist groups indicates that there are at least fourteen organizations operating in the CENTCOM area. Of the State Department's list of seven state sponsors of terrorism, three were in Central Command's area of operations—we're down to two, now, as a result of Operation Iraqi Freedom.

Nevertheless, the region remains a key source of international insecurity. Extremists continue to assault efforts to bring security, stability, and democracy to Afghanistan and Iraq. Iran's half-hearted attempts at political reform have largely failed, leaving us with a state controlled by extremist supporters of terrorism who the International Atomic Energy Agency caught violating their nuclear safeguards agreements.

In Pakistan, we face a country with nuclear weapons, a long-standing rivalry with its nuclear neighbor, popular support for Osama bin Laden in key regions, and a governmental system that hasn't succeeded in building a stable democracy. And these are just the highlights!

September 11 forced the United States to jump into this mix with both feet. Osama bin Laden proved it wasn't enough to contain or deter threats to our security; they had to be eliminated. To that end, the Administration is using all the tools at its disposal to improve the security situation in the region, from increased military cooperation with the Central Asian states to diplomatic initiatives in Pakistan and military training in the Horn of Africa. We're making progress. General Abizaid leads many of our efforts along these lines, and will offer some greater detail during the hearing.

That said, much of our success to date should be credited to the men and women serving their country and their willingness to go in harm's way. While they're out there defending us, we have a responsibility back home to make sure that we're leaving no stone unturned in giving them all the support they need to do the job. Some people forget that and look to cut the defense budget in order to pay for other priorities. I believe that this would be a mistake in the middle of a war, while our service personnel are engaged with the enemy. I look forward to hearing from our witnesses today about how the President's budget request will enable us to continue making progress in the global war on terror and why it's vital that Congress give them the resources they need to complete the mission.

But first, let me recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

General, the floor is yours.

**Opening Statement of The Honorable Ike Skelton
Posture Hearing with General John Abizaid, U.S. Army, Central
Command, and Honorable Peter Rodman, Assistant Secretary of
Defense for International Security Affairs
March 3, 2004**

Thank you, Mr. Chairman. General Abizaid, and Mr. Rodman, thank you both for being here. General, I believe this is the first time you are formally testifying before this committee. Congratulations on holding out this long.

I have traveled to Iraq twice in the last six months and recently returned from my first trip to Afghanistan. I don't think it's an overstatement to say that our men and women serving in those theaters are doing an extraordinary job under the most trying of circumstances. They are superbly trained, superbly led and are just the finest force the world and our country have ever seen. We owe them all a debt of gratitude. And as we go into this budget cycle, we owe it to them to provide them everything they need in order to succeed in Iraq and Afghanistan.

But gentlemen, I was troubled by some of the other conclusions I drew from my trips and from recent developments. First, I am

convinced that the timetable for the transfer of sovereignty in Iraq is unrealistic. I am pleased that we have recognized that there is no way to hold elections by June 30 and that the caucus approach would not have been supported by the Shi'a. And I am happy that a new Iraqi constitution has been agreed upon. But it is still unclear to me who we will be transferring sovereignty to on June 30.

Moreover, I am still concerned that the Iraqis are not on track to make the benchmarks set before June 30. For example, recent press reports indicate that we will not complete status of forces negotiations until there is a new government after July—despite the original deadline of March 31st. Without such a document, there will be no formal agreement on the rules of engagement for our forces and no legal protections for them. I feel very strongly that our troops must be empowered to do what they must to defeat this insurgency, before Iraq dissolves into a civil war—as I fear it could.

Simply put, we have to handle this transition right. The stakes are enormously high, and the recent spate of bombings in Karbala and Baghdad remind us that tensions among ethnic groups are getting higher

by the day. We need to give the Iraqi people assurances that we are prepared to stay the course for their future. In this regard, I believe that encouraging NATO involvement in Iraq would be helpful. In my view, our NATO allies have just as great a stake in a stable Iraq as we do.

I also want to mention Afghanistan. The simple truth is that we are shortchanging our effort to establish a viable federal government and rebuild that country. I understand that, on the face of it, Afghanistan is not as strategically important as Iraq. But our efforts there are critical for several reasons.

First, Osama bin Laden, other leaders of al Qaeda, and the leadership of the former Taliban regime remain at large. In the near-term, the United States must bring renewed attention to our offensive operations there to flush those forces out.

Second, starting now and over the long-term, we need to ensure that a terrorist-harboring regime cannot again gain hold. If we poured half as many people and resources into Afghanistan as we have into Iraq, I think that country would be well on the way to recovering from the 20+ years of warfare that have riven that country.

Lastly, it's simply a matter of properly finishing what we've started. We have a responsibility to see this effort through. With few natural resources, little infrastructure and a long history of tribalism, Afghanistan has a long way to go, and I don't think we are making progress as fast as we need to in order for the Karzai government to survive over the long term. Simply put, we need to do more now.

General Abizaid, thank you again. Your area of responsibility faces perhaps the greatest set of challenges that we have seen in half a century. We greatly appreciate your service and that of all who serve with you. Thank you, Mr. Chairman.

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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

GENERAL JOHN P. ABIZAID, UNITED STATES ARMY

COMMANDER

US CENTRAL COMMAND

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

COMMAND POSTURE

3 MARCH 2004

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, Members of the Committee:

I am honored to appear before you today and report on the state of the United States Central Command (USCENTCOM), the situation and our actions in our Area of Responsibility (AOR), and discuss ways we can continue to increase our effectiveness. The Command remains engaged on three principal fronts; the disruption of transnational terrorist networks working within and from our AOR, and countering insurgencies in both Iraq and Afghanistan. These activities are interconnected. CENTCOM operates within the geographical and ideological heart of the Global War on Terror. Success in Afghanistan and Iraq will result in stable states that do not harbor terrorists and provide a visible alternative to the terrorists' vision of chaos and conflict.

Over 200,000 Soldiers, Sailors, Airmen, Marines, Coast Guardsmen and Department of Defense Civilians, alongside over 30,000 of our Coalition partners, are serving today in USCENTCOM. The Total Force is represented by over 47,000 Guard and Reserve troops that are completely integrated into the effort. The Coalition is engaged in a wide range of activities that contribute to the stability of the region and the security of our nation. These include counterinsurgency, counterterrorist, stability, civil-affairs, reconstruction, and theater security cooperation activities. Over 870 aircraft and 30 ships are sustaining and supporting our land forces, simultaneously deterring our adversaries and gathering vital intelligence, while Marine forces embarked in Expeditionary Strike Groups serve as the region's strategic reserve. Every day our servicemen and women are operating alongside our Coalition partners with courage, dedication, and professionalism.

Our operating environment is always dangerous and we both appreciate and honor the sacrifices made by our Soldiers, Sailors, Airmen, Marines, and their families over the past twenty-eight months.

We have had many successes, but there is much yet to be done. Our enemies continue to seek to inflict casualties upon those who oppose them in an attempt to hinder our progress and break our will. Our commanders in the field recognize these risks, adapt their tactics, techniques, and procedures and aggressively take the fight to the enemy. I thank you all on their behalf for the tremendous support we have received from the Congress. We must stay the course, which will require continued sacrifice both at home and abroad.

The demands associated with our combat missions have resulted in a force that possesses unprecedented operational and tactical savvy. Our leaders have developed an extremely high degree of professionalism in the conduct of one of the toughest missions any military faces. We are waging a counterinsurgency against an enemy hiding within the population and operating without rules. Our troops are proving every day that they are adaptive, imaginative, professional, competent and most of all courageous. I visit our troops and commanders frequently and they are confident we are winning the war on terror, winning the peace in Afghanistan and Iraq, and contributing to stability in volatile regions such as the Horn of Africa. They are also realistic, however, and understand that success will not come overnight or without further sacrifice. The young troops are setting a modern standard for the "Greatest Generation."

MISSION

U.S. Central Command conducts joint and combined operations in the area of responsibility (AOR) to defeat our adversaries, promote regional stability, support our allies and friends, and protect our interests.

VISION

As a Unified Command, U.S. Central Command may operate as a Combined Command, synchronizing joint and combined forces to decisively defeat enemies within the assigned area of responsibility. Central Command promotes regional stability through a robust program of military cooperation, exercises, and frequent contact. We support our allies' and friends' efforts to build and sustain the individual and collective defense capabilities required to allow them to prosper free from terrorism, war, or oppression. American and Coalition presence will deter adversaries through demonstrated resolve to protect our national interest.

NATURE OF THE AREA OF RESPONSIBILITY (AOR)

The USCENTCOM AOR spans 6.4 million square miles including Egypt, the Horn of Africa, the Arabian Peninsula, Pakistan in South Asia, and the Central Asian states as far north as Kazakhstan. It is intersected by critical transportation and trade routes and includes the waters of the Red Sea, the Northern Indian Ocean, the Arabian Gulf, and the key maritime choke points of the Suez Canal, the Bab el Mandeb, and the Strait of Hormuz. The Arabian Gulf region alone accounts for two-thirds of the world's crude oil reserves, 25% of the world's oil production, and 36% of the world's natural gas reserves. The region is home to more than 500 million people including at least 18 major ethnic groups and adherents of all the world's major religions.

Economic, social, and political conditions vary greatly from one nation to another. However, despite the riches of its natural resources and human potential the region faces significant security challenges ranging from international terrorism to state-to-state conflict. Some regional governments are hard pressed to satisfy

growing populations' demands for a better quality of life. A tide of social and economic discontent makes many populations vulnerable to extremist ideology and anti-American sentiment.

Extremist organizations prey on disenfranchised youth and those without hope. They attempt to indoctrinate the youth to violent Jihad as the principal means of advancing their cause. States in our AOR most vulnerable to extremism include Iraq, Afghanistan, Pakistan, Saudi Arabia and Yemen although no nation in our region is free from this risk. In addition, we keep a keen eye on flashpoints between Pakistan and India, Eritrea and Ethiopia, and civil war in Sudan.

We operate in a region that has a low tolerance for a major foreign military presence--no matter how well-intentioned. Our longer term presence in the region must therefore be tailored to be effective but not overbearing. Our vision in this region must be to help nations help themselves. As Iraq and Afghanistan move towards stability we must integrate them into our long term strategy for peace and look for ways to include them in the group of nations fighting terrorism and extremism locally, regionally, and globally. Ultimately, our partnerships throughout the region aim to foster strong and stable states fully capable of helping themselves and regional communities of nations willing and able to help each other.

GLOBAL WAR ON TERROR

The USCENTCOM region lies at the geographic and ideological heart of the Global War on Terror. Partnered as we are with many Islamic nations, we recognize that the War on Terror is not a war against Islam. We are cognizant of an ongoing struggle within our region between extremism and moderation. Al Qaida is attempting to exploit and amplify regional tensions to the point they can cause global

effects. Their strategy is to create footholds of sympathy and support within populations from which to attack supporters of moderation and tolerance. They seek to drive the U.S. from the region and then champion an insurrection against moderation. Their strategic timeline is measured in decades and generations.

Pursuit of this enemy is our highest priority and we know that while the military can and will continue to disrupt and defeat Al Qaida on the battlefield, the root causes of terrorism have inherently non-military solutions. It is important to isolate the Al Qaida network and other transnational terrorist organizations from their sources of ideological, financial, and material strength. We have put significant pressure on the Al Qaida terrorist network throughout the region. Together with our coalition, interagency and host nation partners, we have killed and captured terrorists, attacked their infrastructure, restricted their movement, disrupted their financial support, and depleted their leadership. We have gained experience and perspective on the nature of the threat and their tactics. We are using that experience to become even more effective, especially in the area of intelligence and counter-insurgency.

Close cooperation with our interagency and international partners is an important element of success. Only by fully synchronizing our military efforts with those focused on diplomacy, intelligence collection and analysis, economic development, law enforcement, and strategic communications will we put pressure on the threat while at the same time win the confidence of the moderates. We continue to develop interagency ties at all levels of command to facilitate cross agency information and activity. Our Joint Interagency Coordination Group (JIACG) within the headquarters is an example of this new wave of integration. So too are we synchronizing Coalition activity for the

Global War on Terror. Sixty-five countries have military representatives at the CENTCOM headquarters in Tampa sharing information and integrating plans. Because the enemy is borderless and his strategy is broad, we cannot afford to permit gaps in our effort that terrorists can exploit. The solidarity and collective will of the Coalition is our strength against an enemy that preys on weakness.

Regardless, the terrorist enemy is agile, patient and deadly. They have adapted their methods to counter our successes. In recent months, the suicide bombings that killed or wounded thousands of innocent Muslims in Turkey, Saudi Arabia, Iraq, and Afghanistan demonstrate that terrorists' claims that they are solely at war with America are false. Al Qaida organizers, operatives, and other cadres have dispersed, establishing clandestine bases of operation in inaccessible to the United States and its allies or ungoverned spaces. The enemy's ideological base, financial networks and information networks remain partially intact and functional. The demographic and economic conditions that breed terrorists continue to concern us.

We remain concerned that modern technology could give terrorists access to destructive power, which, in the past, has been limited to nation states. Indeed, we know that terrorist organizations have been pursuing weapons of mass destruction (WMD). Effective offensive operations against Al Qaida and its associated organizations prevent these terrorists from establishing deliberate programs to make these destructive weapons. Measures to effectively control borders and detect proliferation of WMD related materials and technology need to be strengthened within regional nation states.

Success in this war depends greatly upon collective action and international cooperation. While U.S. and Coalition forces will remain on the offensive, indigenous forces are best suited to develop human

intelligence and act on that intelligence to defeat the enemy. Our headquarters, Combined Forces Command Afghanistan (CFC-A), CJTF - 7 in Iraq, and CJTF Horn of Africa headquartered in Djibouti, along with our Component Commands, conduct theater security cooperation with other nations to help build indigenous counterterrorism capabilities. NAVCENT directs seventeen countries in a sustained effort to curtail trafficking of terrorists, as well as narcotics, and other prohibited items. Carrier battle groups and strike groups are apportioned to support CENTCOM operations using the Global Naval Force Presence Policy (GNFPP).

While we must remain alert to the danger that transnational terrorism poses, we must also recognize the terrorists' vulnerabilities and the opportunities they present. The war against terrorism is a war largely of intelligence and perceptions. While we are constantly improving our intelligence picture of the enemy, we must also become more adept at public diplomacy and strategic communications. The terrorist vision is not inherently appealing given its foundation of intolerance, restricted freedoms and forced compliance. Moderates will only move in the extremist direction if they see it as the only way to achieve sustenance, personal security and a sense of community. It is important to make every effort to help the host nations improve essential services, enhance security and provide venues for political participation. It is also important to tailor and temper our combat activities to cultural sensitivities and personal security concerns of the moderates as we pursue the terrorists.

IRAQ

There are currently over 184,000 coalition personnel supporting Operation Iraqi Freedom in Iraq and Kuwait. Over 114,000 U.S.

personnel and over 23,000 coalition personnel from 35 nations are currently fighting to achieve security and stability in Iraq. The force is commanded and controlled by a Combined Joint Task Force, Headquarters (CJTF-7) centrally located in Baghdad and is composed of five divisions; three U.S. Army divisions, two multinational divisions, and one multinational brigade. Special operations forces under SOCCENT's leadership work in close collaboration with CJTF-7 and Coalition partners throughout Iraq to enhance information sharing and planning efforts.

Multinational forces are currently responsible for northern and southern portions of Iraq while U.S. Army units are deployed in Baghdad, central, northern and western Iraq. Over 26,000 U.S. and Coalition personnel are deployed in Kuwait, providing logistical support to Operation Iraqi Freedom. Today, we are engaged in a major force rotation that will be complete by early May. While force numbers will remain relatively stable, incoming forces will be task organized with more infantry and greater mobility to fight the counter-insurgency. We have reduced our numbers in those sectors where the security environment permits, and increased our presence in others. For example, in the north where enemy activity has been low, an Army Stryker Brigade has replaced elements of the larger 101st Air Assault Division. In the west where enemy activity is high, the Marines will bring in a larger Marine Expeditionary Force to replace the 82nd Airborne Division. In all cases, the replacement forces are tailored for the mission, trained in the tactics, techniques and procedures developed by the departing unit, and spend time in their sector with the outgoing unit before its departure.

The three major elements fighting Coalition forces in Iraq are Former Regime Elements (FREs), transnational terrorists and religious

extremists or jihadists. The Former Regime Elements seek to expel the Coalition and return themselves to power. They are waging a tactical campaign against Coalition forces and attempting to intimidate the Iraqi police and Iraqi Civil Defense Corps security forces while terrorizing both Iraqi citizens and anyone cooperating with Coalition forces. These Former Regime Elements operate primarily in north-central and western Iraq, the traditional strongholds of the Ba'athist regime. Former Regime Elements predominately use standoff weapons such as rockets, mortars and small surface-to-air missiles to engage coalition forces. Since last summer they have become extremely adept and adaptive with improvised explosive devices (IEDs) to the point that the majority of American casualties are now caused by IEDs.

USCENTCOM is working with the services and numerous DoD agencies, civilian research laboratories, and private businesses to develop and deploy technologies to defeat and mitigate the effects of the improvised explosive devices. We are focused on those technologies that can deny bomb-makers access to materials to make IEDs, provide persistent surveillance to our likely routes of travel, allow us to detect the presence of IEDs well outside the IED blast zone, neutralize or defeat those IEDs that remain hidden from us, and as a last resort, protect our troops from the effects of an IED blast.

Transnational terrorists such as the Zarqawi network, Ansar al Islam, and Al Qaida are attempting to destabilize Iraq by increasing both ethnic and sectarian strife with the intention of inciting chaos and a civil war. Their intent is to drive international institutions such as the United Nations and Red Cross from Iraq. Ultimately they desire to create a new extremist base of operations following their losses in Afghanistan. These terrorists are operating in the same areas as the Former Regime Elements, which are largely former Ba'athist

strongholds. They also have a presence in northern Iraq and are launching attacks into southern Iraq targeting the Shi'a population, the international community, and security forces. While many of their tactics are similar to those employed by the FRE, they are more likely to employ suicide attacks, including car bombs.

The third group is religious extremists or jihadists. This group is widely diverse and made up of foreign fighters, adventurers who have responded to the extremists' false call for Jihad, and dissatisfied Iraqi Sunni Arabs. They are committed to driving westerners from the Middle East, deposing the current regional regimes and establishing an Islamic state or greater Caliphate. Some foreign fighters come to Iraq completely untrained with little money and no contacts, while others are veterans of previous jihad campaigns having spent years operating within Mujahadin networks.

Our response to the enemy in Iraq is framed in terms of counterinsurgency principles. We are developing a clear picture of the enemy through the combined efforts of our conventional forces, special operations forces and the intelligence community. The cornerstone of our counterinsurgency operations is HUMINT collected through a multitude of initiatives. Our conventional units cultivate personal relationships with civic leaders and the local populace on patrol and during humanitarian assistance, medical, dental, veterinarian, and reconstruction initiatives that provide important opportunities for gaining insight about local conditions.

Special operations forces and other government agencies are developing intelligence through a growing number of sources supportive of a new Iraq. Analysis at every echelon of command is fused together to create an understanding of the terrorist networks in Iraq. These efforts have resulted in more than 140 raids a week. Simultaneously,

we are working to isolate the enemy from their sources of strength and leadership within the country. By doing so, we intend to separate them from their popular support base and deny them funding, arms, and freedom of movement. Improved security, in conjunction with an improving economic and political environment will dry up their recruiting base.

The Iraqi Survey Group (ISG) has been a contributor to our counterinsurgency efforts. Although their primary mission has been to unravel the former Iraqi regime's involvement and production of WMD, the nationwide network of case officers and sources have developed timely reporting of threats against coalition forces. As their investigators, analysts, and interpreters sifted through hundreds of thousands of documents, and made relevant documents to CENTCOM analysts to build databases of former Iraqi military organizations and intelligence services. Thousands of names, addresses and pictures now populate these databases enabling coalition forces to understand, target, and raid cells of the Special Republican Guards and the Iraqi Intelligence Service.

We continue to focus our efforts in specific areas: improving intelligence fusion and analysis; developing Iraqi security forces; internationalizing our security effort; protecting the infrastructure and aiding reconstruction; and helping to communicate our intentions, plans, and successes to the Iraqi people.

Improvements in our intelligence system are paying off and we continue to enhance our ability to collect, analyze, and disseminate intelligence in a timely manner. Upgrades in automation networks, databasing capabilities, and bandwidth have given coalition forces the ability to strike quickly against enemy forces. Our intelligence picture will improve further as nascent Iraqi security and intelligence

capabilities mature. We are also establishing mechanisms to ensure that Iraqi forces have adequate intelligence capabilities as they assume more responsibility.

One of the fundamental elements of successful counter-insurgency operations is building an effective indigenous security force. Coalition forces are supporting the development of Iraqi police, border police, Civil Defense Corps, and Iraqi Armed Forces. In May 2003 there were no Iraqi security forces; there are now over two hundred thousand. Our forces are recruiting, training, and conducting joint operations with the Iraqi Civil Defense Corps (ICDC). We are imbedding our Special Operations Forces inside the ICDC battalion to train and mentor these units as they gain both proficiency and confidence.

The Coalition Military Advisory Training Team (CMATT) is recruiting, equipping, and training the Iraqi Armed Forces (IAF). We have fielded three battalions of the IAF and one more is in training, and within a year there will be three divisions of the NIA. We are also expanding Iraqi maritime capabilities, assisting the maritime components of the NIA, the Iraqi Coastal Defense Force and the Iraqi Riverine Patrol service to ensure they possess the capability to control Iraq's territorial and internal waters. We must ensure these forces are well led, well trained, well equipped, and are subordinated to legitimate civil authority.

We are coordinating with the Coalition Provisional Authority (CPA) to accelerate the formation of the Iraqi Police Services, the Department of Border Enforcement, and the Facilities Protection Services. These forces are essential in establishing Iraqi rule of law prior to transitioning to a sovereign Iraqi government. The arrival of civilian police advisors will greatly improve our efforts to increase the number and effectiveness of security force personnel.

As Iraqi forces become capable of autonomous operations, we will continue to reduce Coalition military presence in dense urban areas and position forces in order to provide quick reaction and facilitate effective joint patrol operations with Iraqi security forces. In many parts of Northern and Southern Iraq, Iraqi security forces have already taken responsibility for day-to-day security operations, asserting control over their own neighborhoods.

We are dedicated to a true partnership with the Iraqi Security Forces during this critical period in the battle. Knowing that Iraqi forces and leaders will take time to mature and they will be likely targets for the enemy, we are integrating training and liaison teams into their formations. The ICDC in particular is becoming more confident as our joint patrols and raids demonstrate the effectiveness of new equipment and tactics: ICDC units are taking the lead during more operations and gaining respect from the Iraqi people and enemy. We are also developing Joint Coordination Centers (JCC) to better coordinate the efforts of the local police, the ICDC and the Coalition. Over time, we will support the development of the Iraqi Defense and Interior Ministries and their staffs while building a Joint Force Headquarters. Iraqi officers will be integrated into the command structure of the multi-national force that will provide stability following the transition to Iraqi sovereignty. It is important to remember that this strategy will not only depend on our actions, but on enemy reactions and initiatives that are often difficult to predict with any degree of certainty.

This is also an international effort; over 23,000 Coalition troops from thirty-five nations have joined our forces in Iraq. These forces control two large sectors in southern Iraq. Poland leads a twenty-four nation effort in Multi-National Division Center-South, and

the United Kingdom leads an eleven nation effort in the South East. These nations have been subject to attack as you know and we are truly grateful for their continued contribution and sacrifice. Financial support for many of these nations has been critical to their participation.

Additionally, we also have international support for developing Iraqi security forces. We are grateful for the assistance of those nations training Iraqi police, including Jordan, the United Arab Emirates, and the Federal Republic of Germany. We are committed to broadening the international effort and welcome the assistance of other nations and international organizations.

Security and reconstruction are interdependent. Unemployment and the lack of basic services is causing disaffection among the population which helps to provide fertile ground and an available recruiting pool for those who seek to incite attacks against other Iraqis, the infrastructure and Coalition forces.

Our Coalition troops have contributed to reconstruction and building a foundation for Iraqi prosperity. The Commander's Emergency Response Program (CERP) continues to be very effective in facilitating the reconstruction effort and also provides commanders with an effective means to fight the insurgency. Coalition forces have completed over 13,000 construction projects including schools, hospitals, businesses, transportation networks, wells, water treatment plants, and irrigation systems. The U.S. Army Corps of Engineers recently established a Gulf Region Division in Baghdad to further accelerate our progress in restoring Iraqi infrastructure and the important oil and electricity sectors.

U.S. and Coalition military commanders are working with local townspeople to prioritize small reconstruction projects, thousands of

which are already completed and benefiting the local populace. Coalition and Iraqi forces will continue to secure the infrastructure and expedite reconstruction. Opening the major airports in Iraq to commercial aviation will be an important step in returning to normalcy and bolstering economic activity.

As we transfer responsibilities to the Iraqis, it is important to continue to assist CPA's efforts to communicate effectively with the Iraqi people and others in the region to clarify our intentions, expose the brutality and hypocrisy of the enemy, publicize Iraq's successes, and generate hope. The establishment of media platforms, such as the Iraqi Media Network in Iraq and Al Hurra in the region are particularly promising because they provide alternatives to the often hostile regional media. We will continue to tell the story of our successes as well as report our setbacks.

We will continue to work closely with the U.S. diplomatic presence as we approach the Transfer of Authority (TOA) in Iraq. A new military headquarters in Iraq will focus on coordinating the counterinsurgency campaign, effecting close civil-military coordination, building Iraqi security capability, assisting with reconstruction efforts, and mentoring the nascent Iraqi Joint Force Headquarters and armed forces.

CENTCOM expects that violence will increase as Iraq moves to sovereignty. Mus'ab al-Zarqawi explains in his letter to Bin Laden that he thinks "zero hour must be at least four months before the new government gets into place. We are racing time." It is clear Zarqawi and others see this milestone as a major danger and intend to surge against it. The enemy fears a network of credible security forces deployed against them and has stepped up their targeting of police stations, recruiting centers, and key security leaders. The enemy will

certainly target critical infrastructure in its bid to undermine Iraqi legitimacy. Some of our adversaries will attempt to exacerbate ethnic tensions with the intent of sparking civil war by attacking important ethnic and religious leaders with a goal of causing mass casualties and media events to highlight their carnage.

The political process is moving with increased participation by Iraqis and the international community. The Security Forces continue to build at a brisk pace with no drop off in recruiting following recent terrorist attacks. Essential services are improving and in most cases exceed pre-war levels. Ethnic violence has been limited with major groups participating in the political process. While there is a possibility that civil war could break out, we currently believe the probability of such a conflict is low. We believe there are many more people working to keep Iraq together than to break it apart.

As those of you who have visited Iraq know, the performance of our Coalition servicemen and women is outstanding. They are accomplishing complex tasks under difficult and dangerous conditions. We now face a transitional period in Iraq as we prepare to transfer sovereignty to the Iraqi people. Key actions include defeating the insurgency, restructuring command and control to facilitate reconstruction and stabilization; building Iraqi security institutions; and completing one of the largest rotation of forces in recent times. While we remain optimistic about the road ahead, we cannot predict future force sizing and composition until the political situation concerning Iraqi sovereignty clarifies itself.

AFGHANISTAN

We currently have close to 13,800 coalition personnel deployed in Afghanistan as part of Operation Enduring Freedom. These forces, that

include nearly 12,000 U.S. personnel and 1,800 coalition personnel from eighteen nations, are commanded and controlled by the Combined Forces Command - Afghanistan (CFC-A). Every branch of the U.S. Armed Services is represented in this command. National Guard and Reserve components make up approximately 26% of our forces deployed there. Part of the CFC-A mission is to assure unity of effort with the U.S. Ambassador and country team in Kabul and manage the military-to-military relationship with the Governments of Afghanistan, Pakistan, and the International Security Assistance Force (ISAF).

Combined Joint Task Force - 180 (CJTF-180) is a division level organization that exercises command over 11 separate task forces; including two coalition battalions and other support, medical, engineering, and training units. It also has special operations capabilities assigned from U.S. and Coalition nations.

The threat situation in Afghanistan remains relatively stable, although Al Qaida and Taliban elements continue to target President Karzai's government, Afghan Militia Forces (AMF), Coalition forces, ISAF, and International Organizations. This threat is composed of three groups. In the northeast and the Kabul regions, Al Qaida affiliated groups such as Hizb i Islami Gulbuddin (HIG) led by Gulbuddin Hekmatyar pose a continued threat. In the southeast, tribal elements and Al Qaida continue their resistance to Afghan and Coalition forces. In the south, remnants of the Taliban and Al Qaida continue to operate out of the old Taliban strongholds in the Qandahar area. These groups make effective use of propaganda, maintaining just enough support to continue operating in Afghanistan. The enemy uses hit and run tactics inflicting casualties with small arms, grenades, IEDs, rockets, and suicide attacks.

We continue to share lessons learned between operations in Afghanistan and Iraq and apply counter-insurgency principles found effective in Iraq against Al Qaida and Taliban in Afghanistan. Once again we find the key to counterterrorism operations is the development of actionable intelligence and tying it to a flexible lethal response. In Afghanistan we are in the process of building similar HUMINT networks and communications architectures that have proved effective in Iraq. The construction of a Joint World Wide Intelligence Communications System (JWICS) network and a voice over internet protocol (VOIP) phone system will improve targeting capabilities. In many cases, intelligence is enabled by successful civilian and military operations that convince the local populations that the Karzai Government and the Coalition provide the best opportunity for a prosperous future. The key is visible reconstruction progress which gives people a hope for a better future. These critical shaping operations set the conditions to isolate our enemies from their base of support.

While our military operations over the past year have inflicted losses on Al Qaida and anti-coalition opposition forces, attacks such as the recent suicide bombings in Kabul remind us that our enemy is resilient and determined to disrupt upcoming elections as well as reconstruction efforts. Coalition and Afghan forces will continue to target and attack remaining pockets of Al Qaida and Afghan opposition fighters to remove them as a threat and promote stability throughout the country. Pakistan's cooperation has contributed to our success in this regard and our continued support to them will further improve their ability to disrupt the enemy's efforts to reorganize and conduct operations.

CFC-A continues to integrate U.S. and Coalition conventional, Special Operations Forces, Air Forces, Afghan National Army and Afghan Militia Forces into effective operations throughout the country. This year, NATO took an important role in Afghanistan by providing command and control for the International Security Assistance Force (ISAF.) The 6,300 troops of the NATO-led ISAF are vital to establishing security in Kabul. NATO has recently taken charge of the Konduz Provincial Reconstruction Team (PRT) and four adjacent provinces in the northeast. NATO is also preparing to further expand its reach across the north.

Coalition forces continue working closely with our Afghan allies and ISAF to maintain stability and strengthen the writ of the Kabul Government. The Afghan National Army (ANA), whose units continue to develop professionalism and gain operational experience, will support these efforts. Where deployed, the ANA has earned the trust and confidence of Afghan citizens. The growth of the ANA, along with the disarmament, demobilization and reintegration (DDR) of Afghan militias and the establishment of police forces, will ensure viable security sector reform.

There are approximately 8,900 Afghan National Army soldiers currently enlisted. The last battalion of the Central Corps is in training now and should complete training in mid-March, establishing three five-battalion brigades within the Central Corps. While fielded forces are the mainstay of any defense establishment, the headquarters and support organizations to organize, train, equip, and employ those forces must also be established.

A key to long term Afghan security self-sufficiency is to reform the Ministry of Defense and the Afghan General Staff from a Soviet-style bureaucracy to a modern professional armed force. By linking the

Ministry of Defense and General Staff structure to that of the Regional Commands, we will have the framework required to expand the reach of the central government throughout the country. This is an important element of our strategy to bring political reform to the regions outside Kabul that remain dominated by warlords.

Reconstruction remains vital to isolating our enemies and depriving them of their support base. Both NATO nations and nations in the OEF Coalition are sponsoring Provincial Reconstruction Teams (PRTs). The purpose of the PRTs is to create enclaves where representatives from the Afghan Government, the international community and aid organizations can bring capability to the outlying regions. An extremely successful program, the number of PRTs recently jumped from eight to twelve with four more planned by summer. Additionally, twenty-nine nations are providing reconstruction support through financial and humanitarian assistance efforts. Central Command welcomes and will facilitate NATO's offer to expand its role in security and reconstruction. While NATO's focus is on manning PRTs and stabilizing large portions of the country, the U.S. led OEF Coalition conducts operations to assist the Afghan authorities in building a safe and secure environment to support reconstruction while continuing, as necessary, combat operations to defeat Al Qaida, the Taliban and other anti-coalition forces in Afghanistan.

With the recent success of the Constitutional Loya Jirga, the Bonn process continues towards elections later this summer. We are preparing however, for a likely increase in violence during the final phase of this process as Al Qaida and Taliban work to prevent further gains by the legitimate government. There is evidence that the threat will step up attacks on key leadership, the Afghan Security Sector and interagency civilians supporting the mission. We are currently

focusing our intelligence on these threats and are fully prepared to preempt, prevent or respond to these events as we can. We expect force levels to remain relatively stable in the months ahead.

Horn of Africa

CENTCOM has steadily increased operational focus in the Horn of Africa and the surrounding maritime environment to identify the methods and means employed by international terrorist organizations and networks. There are currently over 1,200 Coalition personnel deployed in the Horn of Africa. Our operations there are commanded and controlled by Combined Joint Task Force - Horn of Africa (CJTF-HOA), which is located in Djibouti and supported at sea by Commander Task Force 150 (CTF-150), a Royal Navy Flag officer with 7 ships from 6 countries. The current emphasis of forces in this area is intelligence collection, developing interagency and international structures, conducting civil-military operations, and helping nations in the region build collective security structures. SOCCENT assets also provide important help in increasing regional counter-terrorist capabilities.

The Horn of Africa (HOA) sits astride the southern portion of one of the major sea-lines of communication that USCENTCOM must use to operate in the Arabian Gulf region. Threats to the stability of the region include: internal conflicts, border disputes, extreme poverty, and transnational terrorists. The consequences of war are easily magnified in this region because well over seventeen million people are at risk of starvation. People are being forced to leave their homes due to violence, the search for food, medical care, and safety. Many sub-Saharan African states have limited or unreliable internal security capabilities and this weakness makes them attractive venues for terrorist cells and criminal organizations. Terrorist organizations

seek to exploit the Horn's ungoverned areas to train recruits as well as plan and conduct operations against U.S. interests and those of our allies.

Nonetheless, we have partners in the region who are willing to fully cooperate in pursuit of a common goal. Djibouti has given extraordinary support for U.S. military basing, training, and counter-terrorism operations including combined maritime interdiction of several terrorist associated dhows. Kenya, a leader in East African regional affairs, has also been a key ally in the War on Terror and has been instrumental in promoting and facilitating peace in Sudan and access to Somalia. Ethiopia, despite its very limited resources, is undertaking an ambitious program of security sector reform and is also committed to combating terrorism and countering extremism within its borders.

As a result of many of the challenging conditions prevailing in the Horn of Africa, our Theater Security Cooperation programs emphasize humanitarian assistance and civil-military operations. Additionally, there is an overarching emphasis on the development of regional security structures. CJTF-HOA's regional security arrangements and preventive humanitarian operations greatly enhance the ability of regional nations to improve their security posture.

Instability in the Horn is a long-term problem. Somalia is a failed state that transnational terrorists use as a transit point and safe haven. Sudan has suffered from continuous civil war for decades and remains a training and staging location for transnational terrorist organizations. Border tensions between Ethiopia and Eritrea remain high with renewed conflict a possibility. Increased funding to reinforce security sector reform and counterterrorism activities in

Yemen, Djibouti, Ethiopia, Kenya and cautious engagements with Eritrea and Sudan will help us build on progress we have made in the past year.

In the Horn of Africa, our strategy aims to increase pressure on the terrorist networks established there, while at the same time, deterring migration of high-level Al Qaida who may seek sanctuary there. Central to this objective are Coalition efforts to enhance the nations' capability to detect and combat the terrorist threat. Bilateral agreements for intelligence exchanges and in-country intelligence officer training courses are valuable to both our HOA partners and us.

CJTF-HOA serves as a tangible sign of U.S. commitment to governments in the Horn of Africa. They are developing cooperative security arrangements and mitigating the cross-border seams exploited by terrorists. CJTF-HOA also provides an organizational model for the way ahead in the Global War on Terror where our long-term objective is to help nations help themselves.

THEATER SECURITY COOPERATION AND OTHER REGIONAL CONCERNS

USCENTCOM's security cooperation program paved the way for the essential basing, staging, and overflight rights supporting Operations Enduring Freedom and Iraqi Freedom that augmented access to Diego Garcia granted by our staunchest ally, the United Kingdom. The Command continues to work and train with other nations as a normal course of our operations. In planning cooperative activities, we do so with the view that we must build relationships that promote U.S. interests, build allied and friendly nations' military capabilities, and provide U.S. forces with access and enroute infrastructure.

These ventures require expanded fiscal and political investment to keep them viable. The anticipated FY04 Foreign Military Financing allocation of \$2.15B will strengthen our relationships with Egypt, Jordan and Pakistan, strengthen the Afghan National Army, and improve our cooperation with other nations in the Central Region. Continued investment in security assistance improves the capabilities of friendly nations, enables them to provide for their own security and allows them to provide meaningful contributions to Coalition activities such as counterterrorism.

International Military Education and Training (IMET) is a cost-effective investment that positively shapes the future security environment by exposing foreign military officers and officials to U.S. practices and operations. This program provides foreign military members the opportunity to attend courses at U.S. military institutions such as Command and Staff Colleges and Senior Service Schools. These students become familiar with congressionally mandated subjects such as U.S. concepts of military professionalism, respect for human rights, subordination to civilian authority, and U.S. democratic institutions and culture. A new Department of Defense appropriation, the Counterterrorism Fellowship, allows us to offer relevant courses to officers from key partners in the GWOT. The return on investment is large: international military officers who understand U.S. military values and institutions. The relationships built during fellowships advance international cooperation. Foreign Military Sales and IMET benefit the recipient as well as the United States. CENTCOM recommends continued funding for these effective programs. We should not underestimate the worth of our commitment to these programs; the Command will continue them as a matter of highest priority.

While our two most pressing priorities in the Area of Responsibility are the efforts to bring stability to Iraq and Afghanistan, the greatest danger may be growing extremist influence in nations such as Pakistan and Saudi Arabia. Our Theater Security Cooperation program aims to support these nations' efforts to reinforce moderation and implement reforms designed to achieve long-term stability.

Pakistan

President Musharraf and Prime Minister Jamali are leading their country to resist extremism and we fully support their efforts to promote regional stability. Pakistan has played a key and essential role in both the GWOT and OEF. Recent diplomatic initiatives between Pakistan and India concerning control of the Kashmir area are encouraging. The presence of the terrorist threat, regional instability and nuclear weapons makes Pakistan a country with which we need to remain heavily engaged.

President Musharraf has made great strides in curtailing the influence of terrorists within his nation and the Pakistani Army has become more effective along the Afghan border. Pakistan faces unique challenges in the Federally Administered Tribal Areas (FATA) where many Al Qaida and Taliban leaders and forces settled following major combat operations in Afghanistan. President Musharraf has begun a long term strategy to engage the tribal leaders in these areas. He is offering them access to government resources if they purge the terrorists from their area of control, but at the same time, he is prepared to take military action against those found non-compliant. We are supporting these efforts through increased intelligence sharing and security

assistance while improving operational coordination between CFC-Afghanistan and the Pakistani military. We also conduct regular meetings between Afghan, Pakistani and U.S. Military leaders to promote transparency and cooperation between governments along the border.

Pakistan has been a steadfast partner of the U.S. since the start of Operation Enduring Freedom, providing a wide range of access, basing and overflight support for operations in Afghanistan. In addition, Pakistan played an important and active role in the capture of Al Qaida leader Khalid Sheikh Mohammad. In return, we are conducting a full range of engagement activities with them to include military to military contacts, bilateral exercises, and training programs. Pakistani officers attend the Command and Staff and War Colleges of all four armed services and in turn, a select number of our officers attend their institutions.

The U.S. strategic relationship with Pakistan has been difficult over time, but a stable and moderate Pakistan capable and willing to fight terrorism is in the U.S.'s best interest. Ensuring a positive outcome in Pakistan requires us to stay engaged.

Kingdom of Saudi Arabia

Recent attacks in the Kingdom of Saudi Arabia have convinced Saudi leaders of the direct nature of the threats to the Royal Family and the government. Saudi Arabia is a major battleground in the Global War on Terror because of the presence of Al Qaida, their sympathizers and significant resources. Saudi Arabian security forces have vigorously pursued terrorists inside the Kingdom, killing or capturing hundreds of Al Qaida. The Saudis have also made inroads against terrorist finances and infrastructure, but there is more to be done.

Our engagement activities in Saudi Arabia are long-standing. The U.S. Military Training Mission has worked bilateral training and support issues for years. We intend to build upon our long relationship of good will and mutual support with the Saudi Arabian military and do all we can to reinforce Saudi efforts to defeat terrorist organizations and promote stability.

Other Arabian Gulf States and Yemen

The Arabian Gulf states are valued partners in the Global War on Terror. Our operations in the region would not be possible without support from states such as Kuwait, Bahrain, Qatar, UAE and Oman. The support provided includes overflight rights, base and port access, and staging rights. Kuwait has been host to the Combined Forces Land Component Command Forward Headquarters and our forces operating in the region. Bahrain is the home of the U.S. Naval Forces Central Command (NAVCENT) and Fifth Fleet. Qatar hosts USCENTCOM Forward Headquarters and the CENTAF/9th Air Force Combined Air Operations Center. All members of the Gulf Cooperation Council (GCC) support important humanitarian and reconstruction efforts. All are donors to Afghan and Iraqi reconstruction efforts.

In return, we continue to work closely with our Gulf partners in a variety of forums. We work with them in everything from bilateral and multilateral exercises to regional conferences and academic seminars. Officers from these countries are familiar sights at our military colleges and training centers. Our recent efforts with the United Arab Emirates (UAE) provide a concrete example of the benefits of cooperation. The UAE has developed the Gulf Air Warfare Center in Abu Dhabi, a state of the art facility modeled after the U.S. Air Force's Air Warfare Center. This facility will promote regional

cooperation and combat effectiveness by hosting academic and flying courses attended by all of the GCC, as well as European allies.

Theater security cooperation with the Gulf States remains important because we will continue to require access to the region and because the threat to these states from terrorism remains extremely high. Yemen's porous land and sea borders and loosely-controlled tribal areas provide opportunities for terrorists to transit, support, and supply their networks. CENTCOM engagement with Yemen is focused on improving their counterterrorism capabilities. SOF training of their counter-terrorism force has measurably improved their capabilities and confidence, resulting in direct action operations that have disrupted foreign fighters and facilitators that previously viewed Yemen as a safe haven. Their recent cooperation with Saudi Arabia to gain control over cross-border smuggling of arms, explosives, and personnel has great potential. Although Oman remains concerned about illegal sea-borne immigration from South Asia and the possibility that terrorists may enter their country with economic refugees, it lacks the fiscal resources to adequately upgrade its military forces. Continued U.S. support to Oman will make the region less hospitable to terrorists.

Egypt

The Arab Republic of Egypt continues to be a strong partner member and ally in the Global War on Terrorism. Egypt's increase of overflight rights and Suez Canal transits were vital to our coalition victories in Operations Enduring Freedom and Iraqi Freedom. Egypt has donated over 60 tons of humanitarian aid to Afghan reconstruction and arms and ammunition to the new Afghan National Army. They deployed a field hospital to Afghanistan where it has treated over 13,000 patients

and contributed demonstrably in achieving the goal of restoring Afghanistan's medical infrastructure to operational levels.

The U.S. has maintained close military relations with Egypt since the signing of the Camp David accords in 1979. Although Bright Star 2003 was cancelled due to operational constraints, we remain engaged with the Egyptians on major regional events and future Bright Star exercises. Egypt's leadership role in the Arab world is important to reinforcing moderation and enhancing stability in the region.

Our Security Assistance mission to Egypt is one of our largest and its objective is to assist Egypt to modernize all branches of their armed forces. Annually, we provide \$1.3 billion for the procurement of U.S. manufactured weapons systems and support. These include the Patriot PAC 3, Avenger, Stinger Block 1, extended range MLRS, etc. over the next five years. To date, 755 M1A1 tanks have been manufactured at the Egyptian Tank plant. In addition, the U.S. provides \$1.2m annually for the International Military Education and Training Program (IMET). Graduates of the IMET program are now rising to senior positions in the chain of command. Finally, in an effort to increase their regional Coalition capabilities, Egypt's MOD is building a 600-bed International Medical Center with national funds, while our FMF funding is providing medical equipment, furnishings, and training to train over 138 doctors and seventy nurses, at a cost of \$132 million. Egypt continues to prove itself a key ally, supporting both OEF and OIF operations.

Jordan

Jordan is a stable country within a very dynamic region. The Israeli/Palestinian situation, the Iraq conflict and the war on terror all impact Jordan's geopolitical climate. King Abdullah II supports a very strong military relationship with the United States. His active

support for the Coalition's efforts during OEF and OIF is essential to our success. Jordan deployed a key demining capability to Afghanistan that allowed the coalition to quickly set up air operations at Bagram airfield. They deployed and still maintain a field hospital in Mazar e Sharif that has provided medical care to over 234,000 Afghans since the end of hostilities. Their current effort of training Iraqi Police is a major component of the coalition plan to improve security in Iraq.

Our economic and military aid programs are appreciated by the Government of Jordan and are key elements of their defense plans. We have no better regional partner on counterterrorism and will continue to work closely with this important ally through combined training exercises, military exchanges, coalition deployments and a robust Military Assistance Program.

Central Asian States

Our continuing engagement with these states addresses significant sources of instability in the region. Our partnership with these nations focuses on developing counterterrorism and counter narcotics capabilities, improving border security, and enhancing the professionalization of their military forces. Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan, for example, have undertaken programs of military reform designed to increase the professionalism of their armed forces. We will continue to foster security sector reform, encourage regional cooperation, and seek their constructive involvement in our effort to stabilize Afghanistan.

It is clear that our relationship is mutually beneficial. Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, and Turkmenistan provide key access and overflight rights necessary to support operations in Afghanistan. The government of Uzbekistan has provided

access to Karshi-Khanabad Airfield at no cost to U.S. forces.

Kyrgyzstan also provides U.S. basing at Manas. Tajikistan formally offered a battalion of troops and other elements to participate in peacekeeping efforts in Afghanistan in January of this year.

Kazakhstan has provided engineering troops for Operation Iraqi Freedom.

Our engagement in this region supports the efforts of these nations as they move forward from their Soviet pasts. Military-to-military contacts and educational opportunities provided under IMET can enhance the reform programs that are in place. Through bilateral and multilateral exercises, we will develop greater interoperability and provide a positive example of a professional force subordinated to legitimate civilian authority.

The Central Asian States continue to struggle with reform and enterprise, while their people clearly desire to participate in the growing prosperity enjoyed by other former Soviet countries. The risks associated with failure of these states include regional instability, drug trafficking, smuggling and safe haven for terrorists. Our security cooperation efforts aim to improve border control and enhance counterterrorism capabilities. Al Qaida, the Islamic Movement of Uzbekistan, and other extremist groups are active in Central Asia. Continued regional cooperation is essential to confront extremist groups in the area.

Iran

Our recent action to provide disaster relief to the victims of the earthquake in Bam, Iran provided the Iranian people a more accurate picture of the American character and demonstrates our commitment to reducing human suffering. The political situation in Iran remains complex. Tension is deepening between moderates who desire a greater

voice in politics and the hard-line religious Mullahs who control the security forces and the mechanisms of political power.

Iran has multiple centers of power and its closed society makes assessing their national intentions difficult. We will watch Iran carefully to try to prevent any destabilizing activities that could complicate our efforts and contribute to internal Iraqi frictions. We will continue to deter Iranian support of terrorism. Iran is also central to our counter proliferation planning and nonproliferation efforts. The International Atomic Energy Agency has confirmed Iran's clandestine nuclear activities and continues its oversight to demand compliance with their nuclear non-proliferation obligations.

While generally thought to be built for defense, Iran continues to build a credible military capable of power projection within the region. It has the largest military capability in the region and has a record of aggressive military action in and around the Arabian Gulf.

Iran's military force is the primary threat to the free flow of oil from the Gulf region. Their forces include a Navy of small attack boats carrying torpedoes and missiles that are well suited for the restricted confines of the Strait of Hormuz. A new generation of indigenously produced anti-ship cruise missiles and tactical ballistic missiles threaten both oil infrastructure and shipping. It is important for us to maintain reconnaissance capabilities to monitor these forces. To counter this threat our Global Naval Force Presence Policy ensures a robust carrier strike group and expeditionary strike group presence that demonstrates our commitment to unrestricted international access to the Gulf's resources.

Iran's Revolutionary Guard Force and Intelligence Service (MOIS) are very active throughout the Arabian Gulf and the broader Middle East. While Iranian interests have not favored active sponsorship of

anti-U.S. activity in Afghanistan and Iraq, it is clear that Iranian sponsored groups, backed by their intelligence services could create difficulties in both countries.

Joint Warfighting

During Operation Iraqi Freedom our forces advanced the art of Joint Warfighting and built upon the experience we gained in Operation Enduring Freedom approximately one year earlier. Coalition forces struck the enemy at multiple points simultaneously while the main attack covered over 300 miles in 22 days. The result was the removal of Saddam Hussein's regime and the defeat of an opposing force of 28 divisions. Coalition land- and carrier-based air forces achieved total air superiority from the outset, disrupting Iraqi command and control networks, shattering air defenses, and preventing the assembly of large ground formations. Coalition army and naval forces opened waterways into Iraq, allowing for the delivery of humanitarian goods while major combat operations were ongoing. Additionally, Special Operations Forces operated throughout Iraq and seized control of Western Iraq almost in its entirety.

Air, conventional ground forces, and Special Operating Forces continue to demonstrate an unprecedented degree of agility, fight aggressively under uncertain counter-insurgency conditions and retain the initiative in all areas of the battlespace. Recent technological advances do not remove the fog, friction, or uncertainty of war. Combined and Joint teams operating at low levels dominate the enemy in every engagement and with proper intelligence, unravel terrorist cell structures. Operations in the movement phase of OIF represented a shift from Joint "deconfliction" to near full Combined and Joint integration. That integration continues in Iraq under the current

conditions of combat. During Operation Sweeney in October 2003 through January 2004, for example, a British division commanded a large anti-smuggling effort that brought together British air and ground forces, U.S. naval forces, and a Marine Expeditionary unit (MEU). Significant operational coordination achieved by special operations, air and conventional ground forces in finding, fixing, and finishing insurgent cells and key leaders has resulted in considerable success. This Joint integration at low intensity conflict operations is unprecedented.

PROPOSED BASING STRATEGIC

CENTCOM's strategic basing plan is being developed in conjunction with other combatant commands, the Office of the Secretary of Defense, and the Joint Staff to ensure that it complements the basing strategies of adjoining combatant commands and supports the overall Global Basing Strategy. CENTCOM's basing strategy will complement the overall Global Basing Strategy by positioning key capabilities throughout the CENTCOM Area of Responsibility (AOR) to enable a rapid and flexible response for the execution of major combat operations in support of the Global War on Terror.

Host nation support is key to CENTCOM's basing strategy. As such, site selection is made considering the improvement of host nation capabilities while avoiding the incitement of anti-American sentiment

CENTCOM's strategic plan for basing calls for Forward Operating Sites (FOS), Cooperative Security Locations (CSL) and the contingency use of ports and airfields throughout the AOR. These infrastructure sites have been identified to assure U.S. access to enable the projection and sustainment of forces within the AOR.

THEATER MANNING

While our strategy in Iraq and Afghanistan involves turning security responsibilities over to indigenous forces, this strategy takes time to implement and our forces will have to remain engaged in both countries for a considerable amount of time. Trained forces in depth will prove critical to sustaining those efforts, conducting operations in support of the Global War on Terror, continuing theater security cooperation activities, and maintaining sufficient reserves to deter other potential adversaries. Because our efforts in Afghanistan and Iraq involve counter-insurgency operations in complex urban terrain as well as the need to employ dispersed forces across wide areas, there are great needs for infantry, reconnaissance troops, military police, rotary wing aviation, human intelligence, translators, interrogators, and civil affairs teams.

Counter-insurgency operations and high value target (HVT) hunting creates a near insatiable demand for human intelligence (HUMINT) resources. We need to expand our HUMINT forces (case officers, linguists, analysts, and interrogators), provide them with proper training, and build rewarding professional career paths to foster retention. Interrogators have proven to be a critical path for operations in both Afghanistan and Iraq and throughout the CENTCOM AOR. These skills are required from the tactical level to the strategic level. As our work to secure national stability in Afghanistan and Iraq matures, counterintelligence skills are another high demand low density asset to train for the future.

We must invest in greater culturally literate HUMINT capabilities across the services and build networks that only provide discrete target information, but also help us anticipate enemy actions. We need more linguists who are fluent in Arabic, Farsi, Pashtu, Dari, Urdu, Somali, and Swahili. Civil affairs personnel, interagency planning

experts, and psychological operations specialists are also in short supply. We must continue to invest in the recruitment and training of such skilled people.

Operations in Afghanistan and Iraq have generated high demand for other specialties. These include law enforcement specialists knowledgeable in international law and able to teach professional, high level policing skills such as criminal investigation techniques. Hundreds of thousands of tons of unexploded ordnance left over from decades of strife have spiked our demand for explosive ordnance disposal specialists who are also trained in techniques to counter Improvised Explosive Devices (IEDs). Because we are planning multiple complex operations simultaneously, we need more strategic field grade plans officers capable of conceptualizing theater strategy and are conversant in Coalition and interagency operations. Information technology managers and systems programmers, and web system and database designers are needed to manage the large database and command and control structures we are employing to prosecute the GWOT and conduct counterinsurgency operations in Afghanistan and Iraq.

In addition to our conventional force requirements, we see a continued high demand for Special Operations Forces (SOF) throughout the CENTCOM AOR. SOF reconnaissance, deep insertion and surveillance assets, and aviation crews remain in great demand. SOF's capability to train, mentor, and operate with host nation forces is especially important in Afghanistan, Iraq, and throughout the AOR.

We are grateful for the initiatives to fund incentives and quality of life programs to compensate and provide respite for those deployed for extended periods. The highly successful Rest and Recuperation Leave and Fighter Management Pass programs are boosting morale and increasing effectiveness. The expansion of Tactical Field

Exchanges in Iraq and Afghanistan are important tools to sustain morale. Exchanges provide necessary important comfort items and are the sole source of phone services for our troops. Other programs that are important to sustain the high morale of our forces under demanding conditions include Armed Forces Entertainment, compensation and entitlement initiatives, and the Child Care and Family Child Care Subsidy Programs. We applaud the Department of Defense expansion of the Military One Source initiative and feel it is an effective complement to existing Service Family Support Center programs. The servicemen and women serving in the CENTCOM AOR appreciate the continued Congressional concern for supporting programs that encourage reenlistment and officer retention. As always, our people remain the principal source of our strength.

CRITICAL MISSION ENABLERS

The missions in Afghanistan and Iraq have identified three key enablers that we rely upon; strategic lift, intelligence, and force protection. Our lack of in-theater infrastructure and assigned forces makes us dependent on strategic lift. Ongoing operations are creating unprecedented demands for fused intelligence across the entire force and we are improving every day. The insurgency tactics we are encountering put a heavy emphasis on organic force protection.

Strategic air and sealift continues to enable our success. Once stability operations in Afghanistan and Iraq are completed, CENTCOM will be an active theater with a relatively small expeditionary footprint in the region. This means that CENTCOM will remain heavily dependent on pre-positioned equipment and agile forces to respond to contingencies. Adequate sealift and sea-basing capabilities in

conjunction with our strategic air assets are absolutely vital to military success in our area of operations.

Much has been done to develop common databases and an overarching intelligence architecture that permits common access and dissemination to all echelons. These efforts ensure effective collaboration across the intelligence community. However, just as important to this effort is a continuous, unimpeded flow of intelligence. Unmanned Aerial Vehicles (UAVs) have proven their value, and we must continue to expand their capabilities and integrate them into our intelligence networks. The requirement for more full motion video (FMV) and infrared (IR) Video is an enabler at all levels of command. Once exposed to the revolutionary capabilities they provide, no commander wants to fight without them. The ability to see the enemy day or night and respond to his defenses and activities before making contact is changing tactical doctrine, especially in urban scenarios.

CENTCOM has built a redundant ISR network integrating strategic, theater and tactical systems, but persistent surveillance is essential to maintaining situational awareness during Joint operations. Increasing the number of UAV systems, signals intelligence systems, and expediting the airborne common sensor program will improve our persistent surveillance capability. This capability can be further enhanced by expanding our capacity to fly more Predator UAVs simultaneously in our theater and by adding qualified linguists aboard signals intelligence aircraft. Improved sensors both on the ground and airborne will help distinguish between enemy and indigenous populations.

We should recognize from our experiences in OEF and OIF, however, that we will not be able to achieve anything close to near-certainty in high intensity combat or counterinsurgency operations because enemy

countermeasures and knowledge of enemy intentions lie beyond the reach of even the most sophisticated technologies.

The requirement for Up-Armored High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) and Interceptor Body Armor (IBA) to protect our troops in Iraq and Afghanistan remains high. Due mainly to the development of the IED as the enemy's weapon of choice, our requirement for armored HMMWVs has steadily increased from 235 in May 2003 to 4,388 in February 2004. We currently have 2,178 in theater now or 50% of the current requirement. The Joint Staff, Services, and other Combatant Commanders are currently redistributing worldwide stocks of Up-Armored HMMWVs. Funds that you provided in the Emergency Supplemental increased production from 78 per month in October 2003 to 148 per month in February 2004 and will further increase to 220 per month by May 2004. Accelerated production and redistribution should allow current requirements to be met by December 2004.

OIF forces initially deployed with a combination of old Flak vests and the new Interceptor Body Armor (IBA). The Defense Logistics Agency and Army managed production and distribution of the new IBA, which is composed of the Outer Tactical Vest (OTV) and Small Arms Protection Inserts (SAPI). 100% of U.S. forces in Iraq now have the full IBA. 100% of U.S. forces in Afghanistan have the new OTV and 86% have SAPI plates. The remainder of the soldiers in Afghanistan will be issued SAPI plates by the middle of March.

Military Construction (MILCON)

CENTCOM's basing strategy supports the Command's vision and mission by establishing bases and facilities that support operational and strategic needs throughout the region. Ongoing operations in support of the GWOT and Operations Iraqi and Enduring Freedom have

increased our basing footprint for the near term; primarily operating bases in Iraq and Afghanistan. To meet these requirements, Components have already submitted contingency construction requirements totaling some \$531M through CENTCOM and their component channels, for Joint Staff, OSD and Congressional consideration.

Your continued funding support for MILCON provides needed infrastructure and facilities required to prosecute Operations Enduring Freedom, Iraqi Freedom, and the Global War on Terror. Between the FY04 Appropriation and the FY04 Supplemental, Congress authorized a total of \$340.5 million in MILCON for projects in the CENTCOM AOR. However, additional contingency requirements continually emerge. CENTCOM has prioritized another 44 projects at an estimated cost of \$531 million in urgent, unfunded contingency construction requirements. We submitted these requests to the Joint Staff in January 2004: We expect that other requirements will emerge due to changes in the situation, new missions, and the evolution of our basing strategy. Your support for these requests is important to our ability to sustain operations in the theater.

Funding Priorities

Research and Development Funding - Over \$335M was appropriated to address key force protection shortfalls and over \$70M will fund research and development efforts to address some of the asymmetric problems our soldiers are facing, such as IEDs. DoD has established a counter-IED task force that will review, test, and field promising counter-IED technology to our forces. This effort is already bearing fruit.

Command and Control Infrastructure - Our ability to fight and win throughout our theater of operations relies heavily on a robust, reliable Command, Control, Communications and Computer (C4) network.

Great progress is being made in enhancing our theater-wide C4 infrastructure, due in large measure to supplemental funds approved for commercialization of our tactical communications resources. The nature of the GWOT, particularly counter-insurgency operations in our theater, however, places significant demands for collection and dissemination of intelligence products and information throughout all components, Joint Task Forces (JTFs), tactical units, and Coalition partners. While we continue to pursue the resources necessary to meet these requirements, the ability to distribute intelligence to all the places remains our single biggest C4 challenge. Continued support of communications initiatives will ensure necessary capability to meet today and future requirements.

Theater Logistics Support - CENTCOM's logistical difficulties stem mainly from limited infrastructure. We place high demand on strategic airlift and sealift; we lack the ability to provide in-transit visibility (ITV) on supplies; we need improvements in the tactical distribution of petroleum products and other goods via military trucks or pipeline. MILCON investments throughout our theater will improve through-put and force projection capabilities.

Legislative Authority Changes

Congress has been generous in providing CENTCOM with greater fiscal flexibility to support nations that provide us with access or assist our efforts. One such example is the Commander's Emergency Response Program with Appropriated Funds (CERP-APF). This program is seen by the commanders in the field as an essential enabler. CERP-APF allows the commanders to seek and satisfy the immediate needs of the local population and demonstrate to the public our commitment to helping them. We seek your continued support for this authority.

Concerns

CENTCOM has been constrained in its support to nations that provide us with access or assist our efforts. Specific concerns include:

Inability to use OMA funds to

- Upgrade permanent facilities.
- Pay for intra and inter-theater airlift transportation for Coalition personnel and material, including medical evacuation.
- Support and sustain the Afghan security forces and the Provincial Reconstruction Teams.
- Pay travel expenses of foreign military officer involved in Coalition planning or operations while temporarily assigned to CENTCOM.

Difficulty in facilitating Coalition contributions to the GWOT, Combatant, Combined Forces, or Joint Task Force Commanders because of the inability to effect bailment or custodial transfer of United States military equipment to Coalition forces for cooperative operations.

CONCLUSION

The United States Central Command is fully committed to the defeat of transnational terrorism and the creation of secure and stable environments in Iraq and Afghanistan. We will continually reassess the situation and improve our effectiveness against the enemy. Our command and control restructuring, including the establishment of CFC-Iraq and CFC-Afghanistan, will improve the integration of our operations with interagency efforts and those of our Coalition partners while

permitting the Central Command headquarters to maintain a holistic view of the theater and direct the full range of our activities. Our staff will remain forward in Qatar extensively, especially during this period of multiple transitions in Afghanistan and Iraq. Eventually, the CENTCOM Forward Headquarters will move to Al Udeid Airfield from Camp As Sayliyah in Qatar. That move will increase our efficiency and allow us to reconstitute our mobile headquarters capability for other contingencies.

The most important person in our theater of operations is the Soldier, Sailor, Marine, or Airmen on patrol in the middle of the night. We are committed to providing our troops and our Coalition partners the resources they need to accomplish the mission. I would like to acknowledge the courage and dedication of our Coalition troops and especially those Afghans and Iraqis who have joined us to win a peaceful and prosperous future for their children. We are committed to doing all we can to support them. We and our Coalition partners will prevail in Afghanistan and Iraq and in the Global War on Terror because of the efforts of our servicemen and women and because we offer a positive vision and hope for the future.

I want to thank this committee for your support to our Command and our servicemen and women and also for your oversight of the vital operations we are undertaking.

“Progress in the Global War on Terrorism”

**Prepared Statement of
Peter W. Rodman
Assistant Secretary of Defense for International Security Affairs
before the
House Armed Services Committee
Wednesday, March 3, 2004**

Mr. **Chairman** and Members of the Committee:

The centerpiece of this timely hearing should be Gen. Abizaid's superb and comprehensive report on conditions and strategies in Central Command's area of responsibility. However, I am pleased as well as honored to have the opportunity to discuss the War on Terrorism in a broader perspective.

Nearly two and a half years have passed since September 11, 2001. Although we have not suffered a significant attack on American soil since then, we are faced with continual reminders that the threat posed by international terrorism is still with us. We have seen it in Bali, Jakarta, Casablanca, Riyadh, Mombasa, Jerusalem, Istanbul, and Baghdad. And just last week, we heard Ayman Al-Zawahiri on tape threatening new attacks on the United States warning that “endless ‘brigades’ carrying death, such as those that attacked New York and Washington, are on their way”. So the danger remains for America and the civilized world. It is because of this threat that the Global War on Terror remains the priority in this country's defense planning.

Strategy in the War on Terrorism

But our Nation's strategy in this conflict is not only military, by any means. All elements of our national power are engaged -- diplomatic; economic and financial; intelligence and law enforcement, informational, as well as military.

Broadly conceived, our strategy has three essential elements:

- First is destroying and disrupting terrorist networks. This means hunting down terrorists, as Gen. Abizaid is doing so effectively, and also denying terrorists, by a variety of policy means, the resources and access and other opportunities they require.

- Second is defense of the homeland. The President and Congress came together in 2002 to create a new Cabinet department, and the Department of Defense has reorganized itself -- naming a new Assistant Secretary of Homeland Defense to coordinate DoD activities in support of our Nation's civilian authorities.
- Third, however, is a political and ideological component of our strategy, which must not be neglected.

The political and ideological component of strategy includes a number of things. It means fostering an international climate in which terrorism is treated by all nations as illegitimate, as beyond the pale, as not respectable no matter what the political cause in the name of which it is practiced. One model is the campaign, led by Britain in the 19th century, to banish the slave trade. Britain led the way not only by moral suasion and what we would today call public diplomacy, but by military muscle the Royal Navy's interdiction of slavers as international outlaws.

A key insight of this part of our national strategy is that it is not we, but our many friends in the Arab and Muslim worlds, who are on the front line in the War on Terror. Our starting point is the many moderate, friendly governments in Muslim countries and the millions of moderate, decent people who want to be part of the modern world, not to destroy it. That is why we continue to stress that this is not a struggle of the West against Islam. That is Usama bin Laden's strategy, not ours. It's not about Islam; it's about an extremist political ideology that invokes it -- indeed has attempted to hijack it. Our job, in a nutshell, is to bolster these moderates to help them and strengthen them in their struggle against the extremists. That is one of the most crucial components of our strategy.

This government attempts to do that by a variety of means. Today, as we speak, the Administration is consulting with key allies and other major powers on what we call the "Greater Middle East Initiative". The President has come to the conclusion that lagging political, economic, and social reform has held back human freedom and prosperity, and has contributed to many of the key security challenges we face today, including the nexus of terrorism, WMD proliferation, political extremism, and radical Islamism.

The President has therefore articulated a vision for supporting the transformation of a Greater Middle East through freedom-based reform. The goal is to bolster reform efforts in the political, economic, and security realms. The Greater Middle East Initiative is designed to respond to the region's needs, but the ideas for reform must come from the region. For that reason, we are in consultations with the nations in the Greater Middle East, G-8 governments, and other lay European friends and allies on how to support such reform.

The role of the Department of Defense, of course, embraces only part of this agenda. But DoD's Security Cooperation programs embody a systematic effort to help friendly moderate nations to strengthen their security. We have successful bilateral military-to-military relations with many friends around the world. This can take the form of security assistance, joint exercises, training and other exchanges. It is a large part of what Gen. Abizaid and Central Command do in their regular interaction with allies and friends. For OSD, it includes a wide range of bilateral defense forums and strategic dialogues covering an array of issues, strengthening ties and, especially, bolstering these friends' efforts and capabilities in the military and counterterrorism fields.

Afghanistan and Iraq

This brings us back to Afghanistan and Iraq -- because the bolstering of moderate forces is the essence of what we are doing there as well.

In both these countries, since their liberation, we see a remarkable political evolution -- a remarkable project of political construction that is underway. We see heroic efforts of moderate, modern, decent people to build new institutions-political, economic, security institutions-to fill the vacuum left by the sudden collapse of the totalitarian regimes that had so brutalized their countries.

That is the most important thing going on in Afghanistan and Iraq. The violence is serious and disturbing, and must be dealt with. But it is not the most important thing happening. A significant part of our strategy therefore is to help the Afghan and Iraqi peoples accelerate their construction of new institutions. Success in that enterprise will further marginalize the extremists, it will also demonstrate that we have kept our promise -- that we were there as liberators, not occupiers.

As President Bush noted last month, the success of freedom in Iraq and Afghanistan would also have enormous and historic ramifications beyond the borders of those countries, around the Middle East. Speaking at the opening of the Library of Congress's photographic exhibit on Winston Churchill, the President said: "Across the region, people would see that freedom is the path to progress and national dignity. A thousand lies stand refuted, falsehoods about the incompatibility of democratic values in Middle Eastern cultures."

In Operation Enduring Freedom, the Coalition liberated **Afghanistan** from the Taliban and denied al-Qaida its comfortable headquarters and training camps in the country. At the same time, it has become increasingly difficult for al-Qaida to reconstitute these headquarters or training camps in any other country.

Since then, Afghans have been making significant political progress:

- The interim government set up by the Bonn agreement at the end of 2001 gave way to a broader-based transitional government in mid-2002. On January 4 of this year, following 22 days of open and lively debate in the Constitutional Loya Jirga, the Afghan people approved a new constitution, under which nationwide elections will be held this summer.
- Afghanistan's national institutions are being restored and strengthened, and the central government's authority has been extended throughout the national territory.
- Thus Afghanistan in all its diversity, and amid all its severe economic and social problems, is not only less likely to revert to becoming a sanctuary for terrorists. It is on the path to becoming a modern, moderate state.

In Iraq, the United Nations fact-finding team recently dispatched to Iraq and key Iraqi leaders agree with us on the importance of transferring sovereignty, as scheduled, by July 1. In consultation among the Iraqi Governing Council, the United Nations, and the Coalition Provisional Authority (CPA), a modified plan is being worked out to schedule direct elections at the earliest practicable time and to design an interim government that can take over sovereignty in the meantime.

It is not easy to build new institutions overnight to fill the vacuum left by the defeat of a 35-year-old totalitarian dictatorship. But a political revolution has already occurred in Iraq. More than 85% of all Iraqi towns have elected councils. Over half the Iraqi population is active in community affairs and one in five belongs to a non government organization. Iraqi women across ethnic, regional, and ideological lines have formed an Iraqi Higher Women's Council, and played an active role in the drafting of an Iraqi interim constitution (the Transitional Administrative Law, or TAL) and in the daily activities of the ministries.

Recently an agreement was reached on the Transitional Administrative Law, which with its provisions for civil liberties and other checks and balances may well turn out to be the most liberal basic governance document anywhere in the Arab world. The CPA will soon distribute 500,000 pamphlets on the TAL throughout the country in order to educate the Iraqi people on what will in effect serve as their first Bill of Rights.

Iraqis still have many difficult decisions to make about how they intend to govern themselves over the long term. It would be naïve to imagine that all Iraqis would quickly agree on issues such as the role of religion in the constitution or the degree of federalism among Iraq's provinces and regions versus a strong central government. But this is the stuff of politics.

Lately we saw demonstrations by Shiites calling for direct elections instead of caucuses. We saw the Kurds insisting on their rights to autonomy. But what prompted these assertions was the intense negotiation that has begun on transitional and constitutional arrangements, as called for by the agreement between CPA and the Iraqi Governing Council reached last November 15. This is political bargaining, among a diverse collection of Iraqis whose cohesion and cooperation since the Governing Council was created last July is in fact a remarkable success story in itself.

Thus Iraq, once a rogue regime that had sponsored terror, waged war on its neighbors, and aspired to military hegemony in its region, is on the path to becoming a moderate state a constructive regional actor and a responsible and respected member of the international community.

I quoted President Bush on the fact that the political evolution of Afghanistan and Iraq will have wider and positive regional reverberations. That is why the terrorists are now so determined to destroy what is being built in those countries. The success of moderate democracies in the Muslim world is their nightmare.

Our assessment is that our strategy is making progress, and their strategy is failing. Despite the violence that persists in Afghanistan and Iraq, in neither country are the extremists succeeding in derailing the political evolution that is advancing.

Recently, DoD came into possession of a diskette containing a message from al-Qaida-affiliated terrorist leader Abu Musab Zarqawi to the al-Qaida leadership. In it, he appealed for help because the evolution of Iraqi democracy and the upcoming end of occupation he knew would weaken his cause. In his own words: "With the spread of the [Iraqi] army and the police, our future is becoming frightening.... The problem is you end up having an army and police connected by lineage, blood and appearance to the people of the region. How can we kill their cousins and Sons and under what pretext, after the Americans start withdrawing? This is the democracy, we will have no pretext."

Conclusion

Mr. Chairman and members of the committee:

The final point I would like to emphasize is this: The fortitude and steadfastness that our armed forces are demonstrating daily on the battlefield are also necessary on the political front. Afghans and Iraqis know that they need our help for a transitional period as they build their own new institutions. They -- and the terrorists -- are watching to see if America will stay the course. Our friends' confidence in us is a crucial ingredient of their success. Our steadfastness is necessary to bolster theirs.

I am confident that this country is unified on the fundamental importance of winning the War on Terrorism, and consolidating success in Afghanistan and Iraq. The Congress demonstrated this on a bipartisan basis in supporting the President's \$87 billion Supplemental Appropriation, and the FY-04 defense budget. That continued unity is indispensable to our success, whatever debates may take place this year in our democracy.

I am confident that we as a Nation have that unity and that resolve, and that we will prevail.

Thank you.

**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

MARCH 3, 2004

QUESTIONS SUBMITTED BY MR. SPRATT

Mr. SPRATT. Members of my staff were told in a briefing yesterday that you expect to have enough armor kits in Iraq to meet the CENTCOM requirement for Humvees, HEMETT trucks, FMTV trucks, and other such vehicles by October 2004. They also mentioned that they had been speaking with appropriators and that the "money was not a problem" to meet this requirement by this deadline. Since the CENTCOM requirement is a finite number and we know the unit cost of these armor kits, we should be able to calculate the cost of this procurement. Why is this not reflected in your budget?

General ABIZAID. The Title X responsibility to equip forces rests with the Military Services. Even though units are deployed to the Central Region the funding for upgrading Army vehicles remains with the Department of the Army. Consequently those costs would not be reflected in my budget.

Mr. SPRATT. General Abizaid, the need for body armor and armored vehicles has become abundantly clear as Operation Iraqi Freedom has progressed. Why was this need not foreseen [sic], accounted for, and addressed before now?

General ABIZAID. Sir, you actually partially address the answer in your question. When we began Operation Iraqi Freedom, we used the armored systems that the US military is known for. As we began planning for the period after the end of major conflict, we made the conscious decision to reduce the presence of heavily armored vehicles, such as tanks, in favor of lighter and more maneuverable vehicles, such as the HMMWV. There were a variety of reasons for this, including a desire to reduce the appearance of being an occupying combat force conducting combat operations.

As we've seen recently, while major combat operations are over in Iraq, we are facing a period of combat operations directed by insurgents consisting of Former Regime Elements (FRE) and Foreign Fighters (FF). This was an unanticipated sudden increase in combat operations, and we have reacted. Several commanders requested that they receive additional armored vehicles from their home station, and those vehicles have been deployed into the theater. Commanders on the ground are getting what they need to fight.

The interceptor body armor was developed in order to provide a capability to stop bullets. As you no doubt recall, the older "flak vests" primarily protect against shell fragments rather than gunfire. Some time after Somalia, conventional forces began receiving the interceptor body armor for their combat forces that were expected to be on the front lines. After those forces were fielded with the body armor, the plan was to field the body armor to "rear area" troops, who were less likely to engage in direct combat operations. Things have changed, and so called rear area troops now are as likely, or possibly even more likely, to engage in small skirmishes and ambushes where the survivability afforded by the interceptor body armor is needed. We recognized this change, and adapted. Our procurement system went into overdrive and has managed to buy enough interceptor vests to outfit nearly everyone in the theater.

The bottom line to your question is that we didn't believe we would need the armored vehicles, and we didn't believe our troops would all need individual body armor that would be capable of stopping gunfire. Things have changed, and leaders are adapting.

Mr. Spratt. How quickly will the Army be able to reconstitute the units returning from Iraq and prepare them to deploy again? Should most returning soldiers expect a second tour of duty?

General ABIZAID. General Schoomaker is much more capable of answering this question, but I will attempt an answer, based on my experiences in the Army. Of course, I will defer to his answers since, as you know, the service chiefs are in charge of equipping and training the forces which combatant commanders will employ.

I believe that it will take several months for Army units to return to pre-deployment levels of training and capability. Soldiers will take leave to spend time with family and loved ones, some people will move to other units or enter professional

education, and units will have to re-train on their units and "regular" wartime tasks.

I believe that the US military will stay in Iraq for quite some time to come. We are planning for the next rotation of forces, and I believe that there will be at least one more after that. Of course, much depends on how quickly and ably the Iraqis are able to provide for their own security, as well as to what degree other nations are willing and able to assist in the reconstruction of Iraq now that Saddam is no longer in power, and his forces have been defeated.

Given the structure of the Army and Marine Corps, and given the fact that Operation Iraqi Freedom is primarily a ground operation, most soldiers can expect to serve a second tour of duty in Iraq, much as soldiers in the Cold War could expect multiple tours in Western Europe. When a soldier, and here I include all service members, returns to Iraq, that soldier will be much more capable of being effective right from the start, already being somewhat accustomed to the ways in theater.

Mr. SPRATT. Please give me your assessment of the ongoing OEF/OIF rotation, in relation to mobilization of the reserve component, hand-off of responsibility between units in theater and the demobilization of personnel back home. Any unanticipated force protection issues? What is the greatest challenge thus far? Are the coalition forces engaged in a similar rotation? Describe the coordination effort to ensure a seamless transition?

General ABIZAID. Let me start by saying that we have effectively completed the largest movement of troops since World War II with no major disruptions. Our planners, logisticians, leaders and troops managed to execute an overwhelming task and make it look easy.

Deploying forces is never easy. Reserve component mobilization is far more complicated and makes deployment more challenging. Reserve component forces have to marshal and deploy from armories, bases, and Reserve Readiness Centers all around the country. Reserve forces routinely practice mobilization and deployment in concert with other training, but there are still post mobilization tasks requiring training before we will put these forces in harm's way. The transition between forces departing the AOR and those arriving has gone smoothly including reserve forces. In addition, all reports on the demobilization process indicate that the system has worked well. The services are constantly evaluating and implementing updates to ensure that problems are eliminated.

I echo Gen Schoomaker's testimony of 7 May. There is only one standard for our soldiers, whether active or reserve. There are reserve forces in the field in Iraq, some providing logistical support from other areas in theater, some flying combat missions, some in my headquarters, and some supporting us from the United States. They are performing their missions well, and can not be distinguished from their counterparts on active duty.

I am not aware of any unanticipated force protection issues in the mobilization, employment, or demobilization process of our reserve forces. We are constantly evaluating security arrangements and altering our processes to insure that our soldiers are as safe and secure as is humanly possible.

Our greatest challenge thus far has been achieving our goal of accurately predicting for our reserve components the length of their deployment. We are working with all Services to improve in this area, but must keep in mind that changes occur due to mission requirements.

Regarding your question on the rotation of coalition forces, various members of the coalition have rotated forces in and out of the region. Some have only been able to provide forces for a limited time, while others have been able to commit to a longer term presence. Generally speaking, we have been able to coordinate the flow of forces, both Coalition and US so that the rotation is indeed seamless.

Mr. SPRATT. Are there any things that CENTCOM urgently needs that are not provided for in the FY05 budget?

General ABIZAID. The FY05 budget reflects the President's budget request for the upcoming Fiscal Year. My Command's needs are met through the Air Force as our executive agent for funding and I am sufficiently resourced to meet my mission. My component commands receive funding through their parent services.

Mr. SPRATT. The Unified Command Plan is periodically updated. Can you give us your views on whether Syria, Turkey and Israel should be added to the CENTCOM AOR, particularly given the fact that their actions have such consequences throughout the region?

General ABIZAID. It's true that the actions of these three countries do affect the region; however cross-AOR influence and seam issues with numerous countries cannot be avoided. Keeping Israel separate from the CENTCOM AOR makes sense. It helps avoid issues of bias from Arab countries as well as perceptions of undue collusion/cooperation between the U.S. and Israel with respect to regional endeavors. Our

Arab partners in the region would likely be less forthcoming in our relationship if my staff and I regularly interfaced with Israeli officials. While we cannot avoid the Israeli-Palestinian issue when dealing with other countries in the AOR, not having responsibility for Israel allows us to better focus our efforts and to concentrate on the unique problems and perspectives of the Arab countries. Also, Israel does not fit in well with the other Middle Eastern countries in CENTCOM's AOR. Its economy, values and political system look more to Europe and the West than to its neighbors for growth and support. If Israel were in our AOR, we would be forced to spend more time and resources addressing potential issues of perception and focus which are better addressed at the national level by DOS, NSC and other policy entities. Similarly, Turkey has historically been predominantly focused on its ties to Europe and its hopes for greater integration with the West. Its integration with Europe under NATO's auspices further ties it into the EUCOM AOR; as the only Muslim nation in NATO, it also provides EUCOM with a unique capability to understanding and bridging issues which cross AOR boundaries. The integration of Syria into the CENTCOM AOR makes sense. It is an Arab country, linked by cultural, historical, tribal and ethnic ties to the rest of the Middle East. Adding Syria to the AOR would likely facilitate increased cooperation on regional efforts and better allow us to promote stability. It would also increase our ability to deal with border control and trans-national issues important to improving the security situation in Iraq and in prosecuting the GWOT within the rest of the AOR.

Mr. SPRATT. When do you anticipate having a status of forces agreement in place? Will it encompass the other coalition forces? Can you spell out the guidelines that you expect to govern our military forces in Iraq if sovereignty is assumed by an Iraqi government this summer?

General ABIZAID. The Multi-National Forces (MNF) in Iraq do not anticipate concluding a bilateral status of forces agreement between now and June 30 (before the assumption of full sovereign authority by the Interim Iraqi Government). Status of our forces will be governed under two key documents: UNSC Resolution 1511, and Law Of Administration For The State Of Iraq For The Transitional Period, dated 8 March 2004, referred to as Iraq's Transitional Administration Law or TAL. UNSCR 1511 provides legal authority for the continued operations in Iraq of the MNF "until completion of the political process," (which we consider to be the drafting of a new constitution and the holding of elections under it) and the TAL provides that 1511 will govern the MNF's activities. Additionally, the TAL provides that existing CPA orders shall remain in force until rescinded or amended by Iraqi legislation. This would include orders like CPA Order 17, which protects Coalition personnel from local law, as is appropriate in circumstances such as we find in Iraq.

Mr. SPRATT. What will be the role of the troops remaining in Iraq after the transfer of power on June 30, 2004? In particular, how will our troops interface with Iraqi governing authorities? As the US acts to stabilize the country, eliminate terrorists, and provide self-protection, Iraqis may view this as continued occupation. This could undermine the authority of the government, and lead to dire consequences, such as those in recent media reports of many Iraqis interested in the 1920 rebellion and continued training and arming of 200,000+ police force. What are your plans to avoid such a situation?

General ABIZAID. All US Armed Forces operating in Iraq after the Transfer of Authority (TOA) will be focused on security and stability operations. Coalition forces will remain under the command and control authority of the Commander, Multi-National Force—Iraq. The Iraqi military and government authorities will have no command and control authority over US or Coalition forces. Coalition military efforts will be focused on building Iraqi security forces and institutions, conducting counterterrorism and counter-insurgency operations with Iraqi security forces, civil military operations, and assisting the Department of State to establish the new Iraqi government.

It is imperative that the US military remain an active part of the transition process in order to ensure that a sovereign Iraq has the opportunity to gain a firm, democratic foothold. In order to accomplish this, the US is required to maintain a significant presence throughout the country. This poses certain challenges, particularly with regard to a perception of continued occupation. We intend to ensure our work with the Iraqi people demonstrates our continued commitment to their success. We intend to show the Iraqi people that we remain there to assist them with ridding Iraq of the foreign elements and former regime loyalists bent on Iraq's destruction. As soon as we give Iraqi Security Forces responsibility for security in local communities, coalition forces will pull back out of the cities. As the regions stabilize and the Iraqi Security Forces become better trained and more capable, and as democracy begins to take root, we will consolidate and reduce force presence by taking a more regional approach. Finally, when Iraq is ready to stand without our assist-

ance and security cooperation agreements are made between the countries of the coalition and the new Iraqi government, we will support those commitments and be ready to provide assistance as asked for by the Iraqis themselves. Through our actions, we will overcome the negative perceptions of occupation and enter a new period of partnership.

Mr. SPRATT. As you update operational, contingency, and functional plans for the CENTCOM area of responsibility, what are your primary lessons learned from OIF?

General ABIZAID. USCENTCOM war planners review lessons learned collected from operations and exercises in our area of responsibility as well as lessons learned collected from activities conducted by other agencies, Combatant Commands, and the Services. For example, before we built our war plan for operations in Afghanistan, USCENTCOM leaned heavily on the lessons learned data base maintained by the Center for Army Lessons Learned (CALL) at Ft. Leavenworth. CENTCOM planners gained significant insight by reviewing the archived lessons learned from the Russian forces' experience in Afghanistan.

Lessons learned with supporting empirical data collection for Operation Iraqi Freedom (OIF) continues. Joint Forces Command was directed by SECDEF to actively collect lessons learned beginning with the deployment phase of OIF and they currently have active duty military officers observing operations with CJTF-7 in Baghdad and with our forward headquarters at Camp As Sayliyah, Qatar. Lessons learned maintained in the USCENTCOM and USJFCOM data bases are generally classified "SECRET" or higher and are not placed in an "open forum."

Mr. SPRATT. Please outline the number and types of foreign liaison officers currently serving on the CENTCOM staff. What are your top county engagement priorities and will you receive enough funds to execute your theater engagement plan?

General ABIZAID. [The information referred to is classified and retained in the committee files.]

Mr. SPRATT. The Financial Times recently reported that Israel's approval of a \$1.1B sale of sophisticated military technology to India could destabilize the region and undermine the fledgling peace process with Pakistan. What is the impact of this sale on regional stability? Does the US have approval authority on these sales?

General ABIZAID. The sale of 3 PHALCON Airborne Early Warning, Command and Control aircraft (AEWC&C) was finally approved by the United States after over a year's deliberations analyzing this question. This sale is not likely to impact regional stability because similar capabilities are being developed by Pakistan with different systems and India will not possess a significant advantage over Pakistan based solely on this capability. Both nations are developing parallel capabilities that will enhance effective command and control of their airspace and airborne units. This parallel development should act as a confidence building measure.

The United States monitors the sale of military equipment and technology and has approval authority only over those systems in which U.S. companies have assisted in the design, development or production of the system. In the case of the PHALCON, and the anti-missile system ARROW, the United States has such authority and Israel has cooperated with the United States intentions and concerns in this specific case.

Mr. SPRATT. Several of the countries that CENTCOM has established basing relationships with since the September 11 attacks have regimes that are undemocratic and/or have poor human rights records (for example, Uzbekistan and Turkmenistan). How Temporary are these basing arrangements? Will we measure them in years? How permanent are these basing arrangements? How does the department define permanent? Would it be possible to have a longstanding relationship with a country but not consider the basing agreement permanent? Will we need to keep a skeletal U.S. presence at these bases? Does CENTCOM give consideration to the nature of the regime of the host nation in making its basing decisions, and if so, how much weight is placed on these factors?

General ABIZAID. CENTCOM considers the reinforcement of U.S. foreign policy to be an important priority. CENTCOM adheres to and supports State Department and Congressional restrictions on the scope of activities with all nations. We primarily analyze our access and operating site (previously referred to as basing) requirements with operational parameters in mind. However, political supportability of such decisions is always a part of our calculus. CENTCOM then provides its recommendations to the Secretary of Defense based on those perceived operational requirements for executing ongoing and anticipated missions. CENTCOM understands that State Department and Congressional policy decisions may necessitate finding alternatives and we provide these alternatives (and the impacts of those choices on operational effectiveness and costs) as part of our recommendation.

The Secretary of Defense has not yet made a final determination on the permanence of bases within CENTCOM's Area of Operational Responsibility, so we cannot comment on that portion of your very pertinent question.

In a general sense, CENTCOM employs different types of operating sites, dependent upon anticipated operational requirements. These basing types are determined on the basis of operational necessity. Some bases are considered permanent in that operations are continual and troop support facilities are more robust. At other sites, CENTCOM either temporarily mans those facilities or merely maintains a set of necessary equipment on location to allow for rapid contingency operations. In accordance with strategic direction from the Secretary of Defense, CENTCOM attempts to determine its future operational requirements, and considers the possibility of long-term operational necessity or needs for access.

As a final comment, access and basing are routinely a subset of our Security Assistance programs. The implementation of Security Assistance is a closely coordinated, combined effort with State Department, who controls much of the policy and funding. The Department of Defense offers expert technical advice and executes those programs.

QUESTIONS SUBMITTED BY MR. REYES

Mr. REYES. CENTCOM is charged with investigating the unfortunate incidents of possible friendly fire involving the Patriot system in OIF. We were told more than four months ago that the investigation was finished and the report completed. The delay has allowed many inflammatory stories to emerge. When will we get the actual report, and what is holding it up?

General ABIZAID. There were three friendly fire incidents that involved the Patriot missile system and each was investigated separately. The first time they were viewed collectively was at Headquarters USCENTCOM. USCENTCOM convened a special panel of experts to review all of the Patriot cases, to validate specific findings from the initial investigations and to identify any common factors and make recommendations. That review process is concluding.

QUESTIONS SUBMITTED BY MRS. DAVIS OF VIRGINIA

Mrs. DAVIS. I know that a unified commander's duties include countering access denial strategies that might be used by potential adversaries, which would seem to be intensified in CENTCOM's Area of Responsibility, given its wealth of choke points, such as the Strait of Hormuz.

I want to ask you to share your thoughts about the value of the submarine as a tool in this context. I also ask you to tell me about the importance to you of the capability to launch Tomahawks from an undersea platform, as I am aware that our submarines performed that role during Operation IRAQI FREEDOM.

Finally, I would appreciate anything else you can share from the commander's perspective about possible missions you might conceivably have to call on the submarine force to perform.

Thank you for being here today and for your outstanding service during these difficult times.

General ABIZAID. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. In January, I was pleased to travel to Baghdad, where I spoke with representatives from the Combined Joint Task force 7 and the Coalition Provisional Authority. From those conversations, I became concerned about the status of the Iraqi Army. I noted my previous support on the committee for permitting certain members of the former Iraqi Army to serving in the reconstituted military. Though Defense Secretary Rumsfeld and the Coalition Provisional Authority originally disbanded the former Iraqi Army, they later reconsidered that decision and agreed to permit certain former members to serve in the new military force. When I asked about the status of the revised recruitment policy during the briefing, I was told that it was on hold and its future was unclear. While I certainly agree that Saddam Hussein's officers and loyalists should not have any role in future military forces, we must recognize the potential danger of turning trained soldiers away from service, thereby increasing the dissatisfaction with the Coalition and the transi-

tional government, and potentially endangering our troops. What exactly is the status of the policy in DoD and how is it being implemented in CENTCOM?

General ABIZAID. The policy to permit certain former Iraqi military members in the new Iraqi Army is in effect. The Office of Security Transition led by Major General Eaton, created five national recruiting centers: Mosul, Sulyamaniyah, Irbil, Baghdad, and Basra. Each recruiting center is managed by Coalition and Iraqi members. The recruiting centers have processed over 20,000 Iraqis to enter the New Iraqi Army as soldiers, non-commissioned officers and officers. Each potential soldier is processed through a rigorous medical checkup and literacy test. As the training capacity improves with each graduating class, those who successfully meet all processing requirements are recalled to report for training. Former Iraqi military members receive additional processing that includes a background check and an interagency review for historical information that would disqualify them as potential candidates. Candidates will be automatically disqualified if they are found to have been fourth level Ba'athist or higher, former Special Republican Guard, Secret Service, Ba'ath Party Security, or in the Intelligence organization. Presently, there are 800 former Iraqi Army officers training for the New Iraqi Army.

Mr. LANGEVIN. During that trip (to Iraq in January), we also received a report about availability of body armor and up-armored HMMWVs for coalition-led troops. Major General Tom Miller and the Coalition team noted that supplemental funds are helping our forces in Iraq gain access to this important equipment more quickly. However, Coalition forces still have unmet needs and that the problem may lie in insufficient production capacity. From an Army briefing yesterday, I understand that one of the problems may be caused by a shortfall in steel and glass availability needed for up-armored HMMWVs and armor kits. Are there any other factors contributing to production problems and can Congress do anything to expedite the process?

General ABIZAID. The Title X responsibility to equip forces rests with the Military Services. Even though units are deployed to the Central Region, equipping and funding for upgrading Army vehicles remains with the Department of the Army, who would be the best source of information on this subject. However, I am told that the production problems with steel and glass have been fixed. Up-armored HMMWV production increased from 78 per month in Oct. 2003 to 220 in May 2004 and will climb to 300 per month by July 2004. HMMWV Add-on armor kit production for April 2004 was over 3000 kits.

QUESTIONS SUBMITTED BY MR. BRADLEY

Mr. BRADLEY. General Abizaid, it is my understanding that U.S. forces in Afghanistan and Iraq are relying extensively on night vision technologies in the conduct of operations. Could you provide the committee with your personal insights on the operational value of the infrared aiming lights, illuminators, and thermal systems that your troops are employing?

General ABIZAID. As you know, the US military is one of the very few in the world that can operate at night. Many units prefer to operate in the dark because of the great advantages we have in technology, training and discipline.

In my opinion, the night vision devices that we have are invaluable and essential to our warfighting abilities. We have headmounted sights, weapon mounted sights and vehicle mounted sights. Our night vision devices, aiming lights and thermal detection systems have significantly increased our forces' lethality and have enhanced our ability to "own the night".

Mr. BRADLEY. "It is my understanding that USSOCOM has a requirement for a next generation night vision goggle that would combine, or fuse, image intensification and thermal capabilities onto a single system. Could you provide the committee with your assessment of the operational utility of such a system and its range of potential applications for forces engaged throughout your theater of operations?"

General ABIZAID. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY DR. GINGREY

Dr. GINGREY. General Schoomaker was with us last week, and he testified that one of the Army's top priorities in Iraq is force protection. And the General spoke specifically about the Army's efforts to retrofit Humvees and soldiers or use them with heavy armor among other things, body armor. But one component that we didn't spend a lot of time on was the Army's efforts to protect its aviation components in theater. There are planes that are currently deployed from my home dis-

trict in Georgia, and really from all over the country that are not fitted with any type of defensive countermeasures.

Should these planes or helicopters, for that matter, be shot at by, let us say, a shoulder-fired missile—I mean, they are almost virtually defenseless in that situation. So my first question is this. I would like to know what steps the Army is currently taking to protect the aviation components in theater, helicopters and fixed wing. We are, you know, particularly at a time now that we are going through this rotation and there are so many in and out.

And I guess I am specifically though wanting to know in regard to this particular aviation unit, which is a reserve unit as I understand it. In many instances they are taking people like yourselves and others into that theater. And are those planes protected like they should be?

General ABIZAID. [The information referred to is classified and retained in the committee files.]

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—H.R. 1741, A BILL TO REDESIGNATE THE POSITION OF THE SECRETARY OF THE NAVY AS THE SECRETARY OF THE NAVY AND THE MARINE CORPS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, March 18, 2004.

The committee met, pursuant to call, at 8:11 a.m., in room 2118, Rayburn House Office Building, Hon. Jim Saxton (acting chairman of the committee) presiding.

OPENING STATEMENT OF HON. JIM SAXTON, A REPRESENTATIVE FROM NEW JERSEY, ACTING CHAIRMAN, COMMITTEE ON ARMED SERVICES

Mr. SAXTON. Good morning. We are going to get started, as all of us have a full day.

The committee meets this morning to receive testimony on H.R. 1741, a bill sponsored by Representative Walter Jones to redesignate the Office of the Secretary of the Navy as Secretary of the Navy and Marine Corps.

Our witnesses are: William S. Dudley, Director of Naval Historical Center; Admiral Stansfield Turner, U.S. Navy, Retired, former Director of Central Intelligence; General Carl Mundy, Jr., U.S. Marine Corps, Retired, former Commandant of the Marine Corps; Honorable David Howard, former Under Secretary of the Navy and Acting Secretary of the Navy in 1992.

Welcome to the committee, gentlemen. We are very pleased that you are here. We all look forward to your testimony and appreciate your willingness to appear before the committee.

Let me recognize the very hard work and diligence of my friend and colleague, Representative Walter Jones, in relation to this issue. For four long years, Congressman Jones has worked this bill and brought needed visibility to this very important issue.

I must say that I am impressed with the level of support for this cause, as evidenced by the caliber of our witnesses today. Some may view this issue as a minor one. But I am sure our witnesses today will give us a new appreciation of the significance of this office redesignation.

The redesignation of the Office of Secretary of the Navy to include the Marine Corps is a change I personally support. Since 1775, when the Continental Marines were created by an act of Congress, our nation has benefited from the outstanding Navy and Marine fighting team which now exists within the Department of the Navy.

The team has worked together from the Revolution to the current operations in Iraq and Afghanistan. But while both services have made tremendous contributions to the cause of freedom, only one service in this team is recognized in the title of Secretary of the department.

Ladies and gentlemen, we need to address this issue. Too many times, we take simple recognition for granted here on Capitol Hill.

We must step forward and give honor where honor is due. And H.R. 1741 does just this in my opinion.

We look forward to hearing from our witnesses this morning. Let me recognize my friend and colleague, Vic Snyder, the ranking member (Acting), for any remarks he may wish to make.

[The prepared statement of Mr. Saxton can be found in the Appendix on page 721.]

STATEMENT OF HON. VIC SNYDER, A REPRESENTATIVE FROM ARKANSAS, ACTING RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Dr. SNYDER. Thank you, Mr. Chairman. And I will be brief. I have kind of my list—I am sure we all do, Mr. Chairman—of topics we would like to see the full committee handle. Of course, I think there ought to be a series of hearings on lessons learned from the Iraq and Afghanistan wars.

In fact, this eight o'clock slot may be a way to go, Mr. Chairman, as a way of finding additional time. I know that there are members that have interest in hearings on other topics. And Mr. Jones has been working this issue for a long time.

And my understanding is that one of the arguments the Senate used against us last time was the fact that we had not held hearings on it. So we are here this morning to do this. And maybe we can use this 8 slot for other interests that we all have as time goes by.

So thank you for holding this hearing. And thank you, Mr. Jones, for your effort.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 724.]

Mr. SAXTON. Thank you.

Let us just go right to our witnesses then. And we will begin in the order of introduction with Mr. Bill Dudley.

STATEMENT OF WILLIAM S. DUDLEY, DIRECTOR OF NAVAL HISTORY, NAVAL HISTORICAL CENTER

Mr. DUDLEY. Good morning, Mr. Chairman, distinguished members of the committee. I appear before you today to offer a historical perspective on the Office of the Secretary of the Navy and its relationship with the Navy and the United States Marine Corps.

I have a longer version of this statement that I would like to make part of the record.

Mr. SAXTON. Without objection.

Mr. DUDLEY. The origins of the Office of the Secretary of the Navy are to be found in the experience of the United States during the naval events of the American Revolution and in developments that followed the writing and ratification of the U.S. Constitution in 1789.

The Continental Navy and Marine Corps were established sequentially on 13 October and 10 November, 1775. Marines were considered to be naval personnel at the time and have been so ever since. The respective birthdays of the services are now celebrated on those days.

From 1789 to 1798, there was no Navy and no Marine Corps under the establishment of the War Department. Even then, naval administration was a matter for the Secretary of War until 1798.

Attacks against American merchant vessels in the Mediterranean pushed President Washington's War Department to propose, in 1794, the building of six frigates to protect American shipping. Congress adopted an act to provide a naval armament, which President Washington signed on 27 March, 1794.

The act authorized the President to provide, equip and employ six armed ships and directed that each ship's complement was to include Marines, a lieutenant, a sergeant, one or two corporals, a drummer, a fifer and 40 or 50 privates. Thus, the first naval legislation under the Constitution included Marines as part of the reestablished Navy.

The construction of these ships was well along in 1797 when another more serious threat appeared in the Caribbean. French Navy warships and privateers were attacking American shipping to British and French colonies. When President John Adams ordered our ships to prepare for war, he also decided that the leadership within the War Department was not adequate for a vigorous campaign.

He appointed the well-connected merchant, Benjamin Stoddert, to be the Secretary of a separate Department of the Navy to administer the ships and to recruit officers and enlisted sailors and Marines. On 28 May, 1798, Congress authorized the warships to capture armed French vessels harboring off the coast, initiating an undeclared quasi-war with France.

That conflict led to the rapid passage of several pieces of naval legislation, including the act that established the United States Marine Corps on 11 July, 1798. The Marines' principal function was to serve as detachments on board naval vessels. But the act also allowed them to be assigned shore duty for the protection of Navy yards.

Marines were to be subject to the rules and articles of war prescribed for the military establishment and to the rules for the regulation of the Navy. An act for the better organization of the United States Marine Corps was approved on 30 June, 1834, clarifying some of the ambiguities left by the act of 1798.

The new act directed that the Marine Corps would be subject to the laws and regulations for the government of the Navy. Congress also decreed, "No officer of the Marine Corps shall exercise command over any Navy vessel or Navy yard of the United States."

The 1834 act left the relationship of the Marine Corps to the Secretary of the Navy unaltered.

The 20th century Marines teamed with the Army in World War I. Between the wars, they developed an advanced base doctrine and, along with the weapons that would implement that doctrine, they demonstrated incredible feats of bravery in carrying out that strategy in the Pacific War and in the Korean War, as part of the Navy and Marine Corps team.

These led to further enlargement and adoption of new missions in the Cold War era. During the long war in Vietnam, Navy and Marine Corps task forces provided critical mutual support in interdiction and close air support, amphibious, coastal patrol and riverine operations.

Even when the 1st and 3rd Marine Divisions deployed ashore, they fought in coordination with carrier aircraft, battleship New Jersey, cruisers, destroyers and river warfare forces. Integral components of the Marine infantry and aviation units ashore were Navy medical battalions, corpsmen and chaplains.

In 1980, the commandant of the Marine Corps was made a full member of the Joint Chiefs of Staff. And in 1986 under the Goldwater-Nichols Act, the Marine Corps was given equal status with the other services in combatant command situations.

Operations in the Balkans during the late 1990's and Operations Enduring Freedom and Iraqi Freedom again demonstrated the utility of mutually supporting naval components, including submarine, air, surface, amphibious and Marine ground forces. Our Navy and Marine Corps team, in the first decade of this 21st century, operates on and from the sea, deploys around the globe and is more closely integrated than the other armed services.

In short, from 1775 to the present, the Department of the Navy has successfully accomplished the national strategic missions assigned to it. To do so, it has employed all of its forces routinely in a coordinated, flexible and mutually supporting fashion.

Despite the growth of both Navy and Marine Corps missions over time, this has been one of the most successful combined arms teams in military history. All this has been accomplished under the direction of a civilian Secretary of the Navy through the Chiefs of Naval Operations (CNO) and the Commandants of the Marine Corps.

Thank you for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Dudley can be found in the Appendix on page 729.]

Mr. SAXTON. I must say that was a very timely ending. Thank you for being so organized.

We are going to turn now to Admiral Turner.

**STATEMENT OF ADM. STANSFIELD TURNER, USN (RET.)
FORMER DIRECTOR OF CENTRAL INTELLIGENCE**

Admiral TURNER. Thank you, Mr. Chairman.

I am here because I think it is appropriate that the Navy side of the Navy—

Mr. SAXTON. Could I ask you to pull that microphone just a bit closer? That is perfect, thank you.

Admiral TURNER. I am here because I think it is appropriate that the Navy side of the Navy-Marine Corps team supports this legislation. It is a piece of legislation that really acknowledges the reality of life.

The Secretary of the Navy has two responsibilities—one to the Navy, one to the Marine Corps. All officers, when they are commissioned, make a choice between the Navy and the Marine Corps.

And the Commandant of the Marine Corps does not report to the Chief of Naval Operations, but to the Secretary of the Navy. I think this change in title enhances the prestige and pride of the people in the Marine Corps. And it does not necessarily take anything away from the Navy in that process.

I am particularly impressed today, from what I read in the media, of the degree of cooperation between the Armed Services of our country, which seems to me exceeds my experience very greatly. And I think emphasizing that this is a Navy-Marine Corps team is a very important part of keeping that kind of sight on the objective of teamwork in combat. And therefore, I think this is a piece of legislation that will not have a major impact, but that it is one that recognizes the realities of life and should be passed.

Thank you, Mr. Chairman.

Mr. SAXTON. Admiral, thank you.

General Mundy, we are pleased that you are here this morning. And we would like to hear your comments at this point. Thank you.

**STATEMENT OF GEN. CARL E. MUNDY, JR. USMC (RET.)
FORMER COMMANDANT OF THE MARINE CORPS**

General MUNDY. Thank you, Mr. Chairman. It is always a privilege to come before this body, which raises and provides for Armies and Navies and hopefully Air Forces and Marine Corps too, but most important of all, that prescribes the regulations for the governance thereof. And I think that is what we are here about this morning.

I come to speak in support of the legislation introduced by Mr. Jones to redesignate the position, as we have discussed earlier this morning, the title of the executive of the Department of the Navy.

In my judgment, this action will accurately align the Secretary's title with his present day authority and responsibilities. As is, the title is confusing. It is inconsistent with the status of the four armed services in the Department of Defense. And it acknowledges only two-thirds of the uniformed servicemembers in the Department.

This proposal does not portend a change in the status of the Marine Corps within the department, as Mr. Dudley has stated here this morning. The status of the Corps, as a distinct service, has evolved incrementally over many years through the actions of the Congress.

Various pieces of long-standing legislation have effectively defined the Corps as an individual service within the Department of the Navy, along with the United States Navy.

More recently, there have been two important pieces of legislation, mentioned again earlier by Mr. Dudley: and that was in 1980, making the Commandant a full status member of the Joint Chiefs of Staff; and then, less than a decade later, the Goldwater-Nichols Defense Reform Act, which prescribed that there should be individual service components, including the Marine Corps, in each of the unified combatant commands.

Thus, the status of the Corps in the joint force organization and functioning of the Department of Defense, as mandated by Goldwater-Nichols, is clear and operative. However, the titles "Department of the Navy" and "Secretary of the Navy" lead to confusion

in the public mind, as well as among civilian authorities and other servicemembers in both U.S. and allied defense establishments and even, from time to time, in the ranks of the Navy and the Marine Corps themselves as to the partnership of two separate services within a common department.

While the Marine Corps, from the establishment of its predecessor, the Continental Marines of 1775, has always been subject to the authority of the civilian executive of the Department of the Navy, too often a presumption is made that Marines are part of, or subordinate to, the U.S. Navy. To be sure, Marines have, over their history and to the present, served proudly and affectionately alongside sailors as elements of a balanced fleet and under the operational authority of Navy commanders.

But they have also served continuously as elements of land combat power under the operational authority of Army and Marine commanders. Indeed, it is interesting to note that in the congressional resolution of the 10th of November, 1775, which created the Marine Corps, the two battalions of American Marines ordered to be raised were to be "considered a part of the number of which the Continental Army before Boston is ordered to consist of."

That intent of the Continental Congress was a unique and important distinction for Marines, which was reinforced by the U.S. Congress in the National Security Act of 1951. Unique among the American Armed Services, that act set into law the composition, the structure, the roles and the mission of the Marine Corps.

The Corps was prescribed by the Congress to provide forces "for service with the fleet," but also "for such other duties as the President may direct." Thus today, there are 55,000 Marines forward-deployed or forward-based throughout the world; 4,500 of those, about 9 percent, are in the Fleet Marine Force, performing service with the fleet. The other 50,000 are performing such other duties as the President has directed outside fleet operations in Iraq, Afghanistan, Haiti, the Philippines and similar locations throughout the world.

This unique duality of roles began in 1775 and has continued ever since. Not only throughout the litany of fleet operations—large and small, in peace and war—but also in virtually every employment of land forces over our nation's history.

Marines are and were created to be forces of great utility and flexibility across the spectrum of operations in both peace and war—soldiers of the sea for duty at sea or ashore, as part of either a naval campaign or a land campaign. This is a role mandated by the Congress, understood clearly within the Department of Defense, practiced daily in the joint force employment of Marines, but not represented by the title of the department or the civilian executive over them.

As a concluding point, I would note for you that the Marine Corps is second in seniority among the American armed services. It is in its 229th year of service to this nation. Yet it remains undistinguished by titular recognition within its own executive department.

I believe the changes proposed in H.R. 1741 will do much to clarify the relationship, the responsibilities and the functions of the appointed civilian authority who presides over the two proud services

in the presently-titled Department of the Navy. Further, it will strengthen the understanding of naval force structure within our defense establishment and in the two services that comprise it.

Perhaps most important of all, it will signify to the 220,000 men and women who wear the eagle, globe and anchor of our Corps that they are recognized for who and what they are. Finally, many secretaries of the Navy, including the one to my left, have on many occasions taken pride in introducing themselves as the Secretary of the Marine Corps.

I believe that any present or future Secretary will be very proud to bear officially the title "Marine" as well as "Navy."

I thank you again. And I look forward to your questions.

[The prepared statement of General Mundy can be found in the Appendix on page 742.]

Mr. SAXTON. General, thank you very, very much.

Mr. Howard.

STATEMENT OF HON. DANIEL HOWARD, FORMER UNDER SECRETARY OF THE NAVY AND ACTING SECRETARY OF THE NAVY (1992)

Secretary HOWARD. Mr. Chairman, distinguished members, for over 200 years, our nation has been well served by our Navy Department and its Secretary that administers two separate military services. It is the only department to do so.

The bill would change the name of the Secretary of the Navy to that of the Secretary of the Navy and the Marine Corps. As I understand it, the bill would make no other administrative changes within the department.

It is largely a symbolic change. But that is important in its own right.

It would allow the Secretary to present himself or herself as the equal sponsor of both of these great services. If those body chooses to act positively on this matter, it will not be the first time that it has engaged in providing symbols that the warfighters consider to be of value.

The official seal of the United States Marine Corps, now so familiar to all, is not that old. And the fact that we now have a seal for the Department of the Navy as a whole and a seal for the United States Navy and a seal for the United States Marine Corps is a result of a long campaign by a member of this body and action of the Congress in making it so.

Administratively, as has been said, the commandant of the Marine Corps is in no way subordinate to the Chief of naval operations. Neither is the Marine Corps a part of the United States Navy.

These are facts. But as General Mundy pointed out, any poll would reveal much confusion on this point among even otherwise well-informed citizens.

I honor our magnificent Navy. This is the greatest Navy the world has ever known.

I do not believe that any of the sponsors of this proposed legislation intend any criticism or slight of the United States Navy. No one wishes to undercut the power, authority or span of control of the United States Navy. Otherwise, I could not support the bill.

I served with pride in the Marine Corps. But I worked side by side with sailors doing precisely the same job.

I respected my teammates as equals. My father-in-law landed on Saipan and Tinian as a Marine. My son is a Department of the Navy scientist. My son-in-law is a Naval Academy graduate and is currently serving proudly as a United States Navy F/A-18 pilot.

We are truly a Navy and Marine Corps team family. Both of these great services are accorded all due respect around our house.

However, I have noticed that almost all of those who actively promote the virtues and synergy provided by the Navy-Marine Corps team are Marines. There is certainly good cooperation between these two services. The dialogue between the CNO and the Commandant is frequent and positive.

I believe that the three-way communication between the Secretary and those two service chiefs is also very solid. However, I believe that this simple name change would allow the Secretary and Under Secretary to better present the Office of the Secretary as representing both of these great services equally.

On many occasions during my tenure, as General Mundy said, I was introduced as the Under Secretary of the Navy and Marine Corps, or even the Under Secretary of the Marine Corps. And I have all of the memorabilia, from desk nameplates to flight jacket name tags with titles like that on it.

I urge the committee to support this bill and make official what is clearly the de facto case today. The Secretary of the Navy is already the Secretary of both the United States Navy and the United States Marine Corps in every way except under Title X.

I thank you and I look forward to your questions.

[The prepared statement of Secretary Howard can be found in the Appendix on page 744.]

Mr. SAXTON. Thank you. We are going to go to the author of this bill for a minute. But Mr. Howard, when you were talking about your family, I could not help but think about this family and our closest Marine Corps—of course, Colonel Kline, two seats to my right, is our adviser on Marine Corps activities.

And you probably also know that Lieutenant Duncan Hunter is currently serving in western Iraq. What you may not know is that my nephew is also in the Falluja area today as a proud member of the Marine Corps.

So we are pleased to host this hearing here today, not only from a substantive point of view, but also from a family point of view. We feel like we are family members of the Marine Corps, as well.

Mr. Jones.

Mr. JONES. Mr. Chairman, thank you very much. I have a prepared statement I would like to submit for the record.

[The prepared statement of Mr. Jones can be found in the Appendix on page 726.]

Mr. Chairman, I want to thank the witnesses first for being here at 8:00 in the morning. Thank you and this committee for holding the hearing this morning. I agree with my colleague, Mr. Snyder, that maybe we should do more of these at 8 in the morning so there will be other issues that we can bring forward.

I would like to make just a couple of statements. And then I do have questions.

I really think that the witnesses articulated this issue as well as anybody could as they spoke, each and individually.

The whole issue is that the Marine Corps has been designated by past Congresses as the fourth services. It is the service that is in the Department of Navy. It is not part of the Navy. It is the Department of Navy.

And that means, as each witness has said so eloquently, that the Navy and the Marine Corps are a team; it is a partnership. Mr. Chairman, the reason that I got involved in this four years ago, is that I have the pleasure to represent Camp Lejeune, Cherry Point, Seymour Johnson Air Force Base.

And I know that every time for the ten years I have been on this committee, that any time there has been a panel to appear before it and the service chiefs are at that panel, they repeatedly state, time after time, that we are a team. We are a fighting team.

And I believe sincerely that this is symbolic, as Mr. Howard said. But as Admiral Turner said, and also General Mundy, I believe that this has even a little bit more meaning than just symbolic for this reason: that the Navy-Marine Corps team is like a football team.

You have both an offense and a defense. But the coach of that football team carries the name of both the offense and the defense. You cannot separate a team.

In part because of past actions of the United States Congress what I believe sincerely this little bill does, as symbolic as it might be, is to strengthen the team. Because there are people that I hear from time to time, whether it be here in Washington, Mr. Chairman, or down in my district, that do not really know the history of the Marine Corps or the Navy, that think that the Marine Corps is part of the Navy because they do not have a secretary.

So today, I believe sincerely that if we can pass this bill and it becomes law, that the team that was intended to be years ago will finally be recognized by the Secretary of the Navy and Marine Corps, carrying that title.

My question will be, which is somewhat simplistic, but I would ask primarily—not to exclude Mr. Dudley, but because of the service by the other three—that there is no way that this could be anything but strengthening the team. And I would ask you—because you have already testified, so I am being repetitive, but just for a moment, to make a point—that there is no way in your mind that you can see where this in any way would be a negative for the Navy-Marine team.

And I will start with you, Admiral Turner.

Admiral TURNER. I agree with you, Mr. Jones. It will not denigrate the Navy or have any adverse effects. If it has an effect on Navy people who are too parochial to want to let the Marine Corps be acknowledged in this way, I hope that we will bring them around in time.

But it is not an attitude that we ought to tolerate.

General MUNDY. I do not believe it creates any friction whatsoever. If it does, it does among maybe those of us in gray suits today, but not in the blue and green suits of the current times.

The Navy and Marine Corps are as integrated and as functionally interdependent and interoperative as they have ever been in the history.

Yesterday, I was at Bethesda, annual physical. And when I walked in to get something, when they finally let you eat on those occasions, as many here are familiar with, I walked in and there is a Marine lieutenant colonel with her Navy commander husband. And my goodness, I mean, it is a family, as the Chairman has said here.

There is no friction involved with this. It is a very clarifying and appropriate measure.

Mr. JONES. Secretary Howard.

Secretary HOWARD. I would agree and support the comments of both the Admiral and the General. I do not believe that there will be any negative effects.

I do not want to mislead the committee. I do believe that the Navy and Marine Corps are, as General Mundy said, as tightly integrated as they have ever been in the Nation's history.

Administering a department with two military services is a challenge. In times of budget constraints, there are tensions, just as there are among our three navies—our airborne Navy, our surface Navy and our submarine Navy—with which I am sure the committee—all the members of the committee—are more than well aware.

I do not believe this name change would have any effect necessarily, positive or negative, with having to do with any of those kinds of issues. This is the change that we would make for the warfighters—not the bureaucrats, not the administrators, but the warfighters. Those kids out there who are wearing the uniform—Navy or Marine Corps—today.

It is a clarifying, symbolic step that we would be taking. And I support it.

Mr. JONES. Mr. Chairman, may I make one statement and then I will close?

Thank you. This is what really brought this to my mind years ago, for a number of reasons, but one is quite frankly—and I have said this to Secretary England and I have said it to Secretary Dalton when I first came to Congress.

I think that because this organization is a team—they fight together; they die together—that when the Secretary of Navy goes to Camp Pendleton or Camp Lejeune or Cherry Point and he is introduced to 10,000 Marines, for that person, introducing the Secretary of Navy, instead of just saying "Secretary of Navy," he would close by being introduced, "Let me introduce the Secretary of Navy and Marine Corps."

How powerful, how exciting for those young Marines to feel that this is their Secretary, just as well as the Secretary for those in the Navy. I yield back, Mr. Chairman.

Mr. SAXTON. Thank you very much, Mr. Jones. And congratulations on this bill. We know how hard you have worked on it. And we are going to do everything we can to get it signed into law this year.

Mr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. You were praising Mr. Jones. Of course, some of us had thought some time ago that per-

haps, since it had been Secretary of the Navy for a couple of hundred years, perhaps it should be Secretary of the Marine Corps for the next couple of hundred. [Laughter.]

But Mr. Jones thought, in the spirit of compromise, we ought to just take this baby step. And Congressman Jones, you may feel free to take any of my time here because you may want to have a comment on this.

But I wanted to ask maybe Secretary Howard or anyone who wants to respond, if we do this—and I think the overall majority, I think, of the committee is supportive of this—it would seem like then that the next step will be for the undersecretaries and everyone at the department to say, “Well now, what am I? Am I the Under Secretary of the Navy? Or is that going to be changed also?”

Or as time goes by and we have a Secretary of the Navy and Marine Corps, will young folks coming in who see the number two or someplace that just says the “Under Secretary of the Navy” think, “Well, that is just for the Navy because it does not say “Navy and Marine Corps.”

Do either of you have any comments about what is going to happen with the other titles and how that should be handled? I think the intent of the bill is that this be the only change. Is that correct, Mr. Jones?

Mr. JONES. I will let Mr. Howard—

Secretary HOWARD. The intent of the bill is that this be the only change. I believe that in doing so, you give the Secretary of the Navy the authority to designate for internal purposes whatever titles he deems appropriate.

Our historian, I am surprised he did not bring this up, when President Franklin Delano Roosevelt (FDR) was assistant Secretary of the Navy, which in essence is the same job as the Under Secretary of the Navy today, he designed the flag. The Secretary of the Navy had a flag, with which you are all familiar, a blue background with four stars in the corners and a coiled anchor in the center of it.

When FDR became Assistant Secretary, he decided he wanted to have his own flag. He said, “Well, this department has two military services. So why don’t I have my flag?”

We have the blue one to represent the Navy. And that is why the Under Secretary of the Navy’s flag is sort of the reverse of the Secretary’s flag. It has the same symbols but with a red background to represent the Marine Corps.

These symbols are important. Although the title of Under Secretary of the Navy again is under Title X, I do not think that modification will be necessary. This one alone will be all right.

Mr. SAXTON. Sir? Mr. Howard, could you pull the microphone a little closer to you, please?

Secretary HOWARD. I am sorry, sir.

The Under Secretary serves as the Acting Secretary of the Navy when the Secretary is away or when there is no Secretary of the Navy and, in that capacity, would certainly be the Acting Secretary of the Navy and Marine Corps, as well. So I do not see a problem with that.

Mr. JONES. I would say to my friend, the intent was simply to Secretary of Navy and Marine Corps. But I would assume that,

should the name change take place, then there would be other considerations. Whether they should be changed or not, I think that would be left up to the Secretary of the Navy and Marine Corps, coming to the Congress maybe.

But the intent of this is primarily the Secretary of the Navy and Marine Corps.

Dr. SNYDER. Does the staff know? Does anyone know, would there be any necessary follow-on, statutory language to change, like the Under Secretary of the Navy to Under Secretary of the Navy and Marine Corps? Or do we perhaps need some language that would authorize that to be changed?

That may be something we want to look at prior to—

Mr. SAXTON. That is a good question. So before we move to mark up, we will certainly look at those. Thank you for bringing that up.

Dr. SNYDER. Dr. Dudley, there is a lot of agreement here in the panel. So we have to look for any statements that appear to be even slightly expressing concern about.

You had the concern in there, in your view, if I understood in your written statement, the term "Navy" has always historically included not just ships on water, but every aspect of the Navy, including Navy planes and Marine Corps. So I think what you were saying is if we all had the common understanding when we used the word "Navy" that it includes everything, that perhaps we would not be advocating for this kind of change.

On the other hand, would you not agree that there has been a historical development to where people view the Marine Corps as, while part of the Navy, perhaps clearly distinct in terms of mission and function, than what we had originally—the concept of the Navy included?

Mr. DUDLEY. Yes, sir. I would agree with that interpretation. There has been a change over time.

I would say originally and traditionally, going back to the early 19th century, Navy was understood to include both Marine Corps and the fleet; that is, the Navy—sailors and so forth. And primarily I think in the 20th century, the expansion of Marine Corps missions and functions—land warfare particularly—has, I think, justified the view that it is a separate service under the department, rather than being part of the Navy, as it was originally.

So I think we have to acknowledge that a change over time is process. And it will not stop here. And I am not going to get into that, because historians do not make very good futurists.

Dr. SNYDER. I think that is a good point. This will be my last comment, probably not even a question, because you already touched on the question, which is the impact on function.

And to me, everything we do here ought to fall into the category of: what effect does this have on national security, which specifically is: how does this impact on jointness? And if I thought that there was any negative impact on jointness, that someone would interpret this to mean, "Oh, the Marine Corps can pull back and not have to work or coordinate so well with the Navy," then I would be opposed to it.

I would hope that perhaps there could be even an argument it could be the other way, which is, "Hey, we really need to work even closer together because we are every bit as important as you," or

however people want to phrase it. But if there is any negative impact on jointness, then we ought to revisit this.

But I do not see that happening. I assume that you all do not either.

Thank you, Mr. Chairman. Thank you, Mr. Jones.

Mr. SAXTON. Did you want to respond to that, Walter?

Mr. JONES. I guess I would just say that at one time, we had a United States Army Air Corps that later became the United States Air Force. So I think that sometimes changes are good for the defense of this Nation. And even though this is a name change, I think in the long-run, it does help strengthen the team.

Mr. SAXTON. Thank you very much.

Colonel Kline?

Mr. KLINE. Thank you, Mr. Chairman. Thank you for recognizing me. Thank you for allowing me to sit up here and recognizing—the panelists should know that this is a rare altitude for me. I usually get to sit down there.

But in honor of my advisory position as the senior Marine and the early hour, I get to sit up here. So I am ecstatic. It is amazing what can thrill you as you get older—not necessarily good news.

We are talking about what looks to be a symbolic change. But I know that in my years of wearing the green suit, like General Mundy did, that there is a perception out there that the Marine Corps works for the Navy.

And the Marine Corps has, for all of these years, traditionally assigned a more junior officer or, if there is a Navy officer and a Marine Corps officer, typically there has been a more junior Marine present. You can find it right here in congressional liaison downstairs, I am sure.

And so I am wondering if this name change, title change, if you think—General Mundy or Admiral Turner or anybody—will affect in any way the way we function in those sorts of arenas?

General MUNDY. Well, as I have said, I am of strong conviction that it would strengthen the way we function. As members of the committee may know, today in the new naval force concepts of the employment of forces, the Expeditionary Strike Groups that have been conceived, one of those is commanded by a Navy rear admiral. One of those is commanded by a Marine brigadier general.

Ships, airplanes, Marines, sailors, doctors, corpsmen, the whole works, submarines, everything else on into that. By the same token, one of the Navy carrier air groups that will deploy, I believe, in the very near future will be commanded by a Marine colonel.

So there is already, I think, a great cohesion and integration and a recognition that who is senior is in command. I think, if anything, this will strengthen that, because it will dispel from the minds of those that you have mentioned, Mr. Kline, who do not understand that.

I do not think that—there has rarely been animosity with regard to Marines. It certainly has happened once in history. But generally speaking, what you have just articulated is what is often believed by those who are not educated in the facts of the two separate services.

So I think it would enhance. And I see no problem with there being an inversion.

One more point, Major General or then-Brigadier General Jim Mattis was the first flag officer, flag or general officer, to command Task Force 58—ships, planes, sailors, Marines and everything—during our insertion of forces into Afghanistan, I think since the days of World War II, Admiral Nimitz and people of that category.

So we have already had Marine generals, despite what was articulated by Mr. Dudley as to the origins of the Corps. We have already had Marine officers who have commanded naval task forces.

Mr. KLINE. Mr. Howard?

Secretary HOWARD. Sir, I certainly agree with everything General Mundy has said, and I would point out that it is conceivable that one could find a critic who would say, "Well, this is just the first step. You give those Marines an inch and they will take a mile." And, you know, "They want their own department," or something of that sort.

That is just simple foolishness. These two extraordinary military services are inextricably co-dependent.

And I can remember standing down at Parris Island, South Carolina, in front of my bunk, being taught the history and traditions of the United States Marine Corps and being told—instructed with pride—that one of those young warfighters raising that flag on Iwo Jima was a United States Navy corpsman.

They are proud of the association. So I do not see that as a problem at all.

Mr. KLINE. Thank you.

Mr. Howard, let me ask just one other brief question. It seems to me that in your days as the Under Secretary, you mentioned that sometimes you were called the Under Secretary of the Marine Corps.

But it seems to me that I recall that you were sometimes called the Secretary of the Marine Corps. Is that—

Secretary HOWARD. Yes.

Mr. KLINE. And you probably felt pretty good about that. And those around you did, as well.

However, it underscores the perception problem that we are talking about here, I think. The Secretary of the Navy is the Secretary of the Navy and the Secretary of the Marine Corps is the Under Secretary of the Navy. And I know that is widely perceived out there. And I think that this is an important change to help make that change in the minds of everybody, that the Secretary of the Marine Corps is not the Under Secretary of the Navy.

Thank you, Mr. Chairman. I yield back.

Mr. SAXTON. Thank you.

Mr. Reyes is next. But we have a former Navy officer over here who would like to just briefly be heard before he has to leave.

Mr. SCHROCK. Thank you, Mr. Chairman. And the reason I am asking to jump rank is for two reasons: one, I have another appointment; and two, if Colonel Kline could get by with it, I figured I could too. [Laughter.]

In the full spirit of disclosure, I am a retired naval officer and proud of that. And it was interesting the comment that we appreciated you getting up this early to get here at 8. And I noticed the puzzled looks on Admiral Turner and General Mundy's faces—8 is halfway through their days. [Laughter.]

So we are pleased to have you here. I was privileged to serve in Vietnam with a lot of Marines. I have a lot of Marine friends.

In fact, I went to school with Retired Lieutenant General Ray Ayres, who is a wonderful guy and a person for whom I have respect. And for those here who do not know about Admiral Turner and General Mundy, I can tell you that in my career, I looked at them with great admiration.

They are two of the finest patriots this country has ever produced. And we are really honored to have them today.

It is almost a shame we are here. This is something that should have been done a long time ago. Walter Jones should not have had to get to this point where we had to have these hearings.

We need to get it done. And we need to get it done mighty quick.

It is interesting, General Mundy, I do not know how many of you noticed, but he is second in seniority. So my question is: is it going to be the SECMAVNAV or the Secretary of the Navy and Marine Corps? Because if you did it by historical precedent, clearly the Marine Corps would come first.

But that is something I am not going to get into. I will let others deal with that.

And for those who worry that the coordination, the working together of the Navy and Marine Corps might be hampered, let me tell everybody that for the first time in history, a commander of an air group on an aircraft carrier now is being headed up by a Marine Corps colonel. That is history-making.

So I can assure you, with that kind of relationship, there will be no problem at all, no matter how they term this thing. So my response to this, let's get on with this.

My voting card is poised and ready to vote "yes" on this. And the sooner we do it the better.

And I think Walter Jones has fought this for a long time. And I am sure this is a great day for him. But we just need to get this done and get it done quick.

And thank you all for coming.

Mr. SEXTON. Thank you. Thank the gentleman.

I would just say to the gentleman, this is taking on a life of its own. And if things keep going the way they are, I live right outside of Philadelphia. And I may be driving across the river to watch the Army play the Marine Corps in the fall. [Laughter.]

Secretary HOWARD. To the congressman's point, my wife came up with a title last night. It is SECNAVMAC.

Mr. SEXTON. SECNAVMAC?

Secretary HOWARD. Yeah.

Mr. SEXTON. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman. And it may seem strange that an Army veteran is here to support this effort.

But I am for two reasons: one, the Marine Corps has played an important part in our family, as has the Navy; and the second reason is my birthday is on November ten. So I always like to say that the Marines like to celebrate my birthday. [Laughter.]

But I am here because I believe that symbols are important. And the part of this that I think is most important is exactly what others have articulated here this morning; and that is that for every

young warfighter out there wearing the Marine Corps uniform, they have to feel connectivity to the Secretary.

And changing this title like this, I think, pays the respect to those young warfighters that I think is due to them. So I do not have any questions. I just want to thank the Chairman for calling this hearing, because I know in the past, that has been used as an excuse for not moving forward on it.

So I am glad to be here. And I want to also commend my good friend, Mr. Jones, for doing this.

Thank you, Mr. Chairman.

Mr. SAXTON. Thank you, Sil.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much. I want to thank my colleague, Walter Jones, for authoring this bill. I am a big supporter of this. This should have happened a long time ago.

But, Mr. Chairman, I think that because this is a hearing on this bill, that we ought to have on the record any objections that there might be to this, because this ought to be a complete record. And so, what I would like to do is to go down the panel and have each of you give at least one objection that somebody might lodge against this and then refute that, so that we will have this on the record.

Can we start as we did with the witnesses, just go down the line? And I know that you know people out there who may have an objection to this, for one reason or another. Please state what that is and then refute it, Mr. Chairman, so that we will have this on the record.

Why shouldn't we do it?

Admiral TURNER. The only reason I can think of is it is only a matter of time before somebody proposes this be the Secretary of the Marine Corps and Navy. [Laughter.]

General MUNDY. I can think of none, other than that it has always been that way; that it is tradition. Or there could be some again, once again I say mostly in gray suits, that would say, "Well, the Marines are getting too big for their britches."

But the Marines are a third of the Department of the Navy now, in manpower, in aviation, anything you want to measure it by. So that is the only objection, Mr. Bartlett, that I could think of.

Secretary HOWARD. And the only objection I can think of is the one that I mentioned earlier, that someone says, "This is just the first step." But I do not believe that that is what it is at all.

The Marine Corps constitutes 30 percent of the uniformed personnel under the Department of the Navy. It consumes, if I remember correctly, about 12 percent of DOD table of allowance (TOA), supplies close to 50 percent of all of the infantry in the field, about 30 percent of all of the front-line combat aircraft.

General Mundy, how am I doing?

General MUNDY. You are doing great. Those are bigger numbers than I have ever heard. And I like everything you are saying. [Laughter.]

Secretary HOWARD. But the Marine Corps is very, very proud of its tooth-to-tail ratio, the fact that the majority of those people who wear the uniform are "trigger pullers," as they describe them. The only reason they have that high a tooth-to-tail ratio is because

their co-dependent service provides much of the support that allows that to be possible.

Do you agree with that, General Mundy?

Mr. BARTLETT. Mr. Dudley, is there anything in the history of these two services that would be a negative, relative to this name change?

Mr. DUDLEY. I was figuring on how I would answer this question, sir, because I do work with traditionalists. And I can imagine—and perhaps I have already heard—some say that this is a bad thing because it is really a contradiction in terms of what the Navy has always been.

The Navy has always been Navy and Marine Corps. And they would say: why do we need to do this? Is this icing on the cake or something like that?

As I have said already, I believe that this is a logical process, that this has come about for real historical reasons that we are talking about this today. But I would say that you will hear from traditionalists to say this was perhaps not a necessary move.

And others, who may be more cynical, may say, "It is not just symbolic. It represents a real move in terms of resources." And that is, this represents an evident symbol of a surging service that is, of necessity, competing with Navy for resources within the Department of the Navy.

So if you are looking or anticipating opposition, I would think that that is where it would come from. I do not know anyone in positions of power. I am just speculating at this point as to where that opposition might come from, not that it would amount to very much.

Mr. BARTLETT. Thank you.

Mr. Chairman, if, in the next few days, any of the members of the committee get an input from anybody as to why this should not happen, I would hope that we would hold the record open so that this could be included with a refuting argument. Because there will be those who say, "Gee, why do we need to do this?"

And I think our record ought to be as complete as possible, with all of the possible objections and the reason why those objections are not sustainable. And again, I want to thank Mr. Jones for this. I think it is exactly the right thing to do.

Thank you very much.

Mr. SAXTON. Thank you, Mr. Bartlett.

Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you. Thank you, Mr. Chairman. And thank you, gentlemen, for being here. I appreciate that.

As someone who represents thousands of Navy and Marine personnel and reserves in San Diego, I appreciate this discussion. And I know they have existed certainly independently as separate entities and performed exceptionally, both. And so this particularly is interesting to hear and I think to try and talk to people in the district, as well.

Mr. Dudley, I wonder—as a historian, you obviously have been able to share with us where you think some of the concerns, the opposition may come from. And I am just wondering, from your perspective, as well, and in understanding the uniqueness of both and the dynamics, where you feel the impact on culture might be

as a result of this kind of a change. What do you think, I guess down deep, in terms of the culture, could be affected?

Mr. DUDLEY. That is an interesting question. And I would have to ask you a question, if I may.

When you say the culture, do you mean the culture of the Navy and the Marine Corps? Or do you mean culture of the United States in general?

Ms. DAVIS OF CALIFORNIA. Thinking of the specific services.

Mr. DUDLEY. The specific services. I am speculating here, but my own speculation is that this is a change which can be accepted without much upset, without much objection—at least verbally.

You may see some essays written in the U.S. Naval Institute Proceedings objecting to this and that, as we always have. But I think that debate is generally a good thing. And differences of opinions are good to be aired so that ultimately we can come to a reconciliation.

And my feeling is, as a historian, I like to hear all viewpoints and then attempt to reconcile those, because it is going to be a synthesis that is going to go ahead. Will the culture be affected? Will there be more friction between the services within the Department of the Navy?

I do not think so if this is as far as it goes. There may be, as I hinted, process. If things do not go well, it could go in the direction that Air Force went with Army.

But my feeling is it will not go that way. It should not go that way. And that it will be generally accepted.

Ms. DAVIS OF CALIFORNIA. And I appreciate Mr. Bartlett asking for where that opposition might come from. You mentioned traditionalists perhaps. Where; within the services?

Mr. DUDLEY. I think if you are talking about within the services, it is going to come from more senior people who might align themselves traditionalists versus progressives and sort of talk about it in that sense. You might also find opposition among veterans outside the services, properly speaking, and that this would be a question of popular perception. And I think, therefore, it has to be explained very clearly to veterans that this is not a threat to their prior service, if it is naval veterans we are talking about.

That is all I can think of right now.

General MUNDY. May I follow on, Ms. Davis? I think culturally, let me give you a description of a cultural impact. One of those great carriers that side up at your piers in Coronado today set sail. And there is a visit by the Secretary of the Navy.

Those of naval traditions know that you are "bonged" aboard; that is, you get a certain number of bells when you come aboard and an announcement that the 7th Fleet is arriving or whatnot. Those carriers will deploy with Marine squadrons aboard them, as well as Navy squadrons—predominantly Navy, but Marine squadrons.

If the Secretary comes to visit, you will hear four bongs, eight bongs, how many bongs? Four bongs. And the bosun's mate will say, "Navy arriving."

What is the Marine squadron to think? Think of the impact. Bong, bong, bong, bong. Navy and Marine Corps arriving. I mean, I get chill bumps thinking about that. [Laughter.]

I am getting old and emotional. But think of that.

There is another culture. Sailors and Marines in the operating forces have always joined hands, fought together, given each other their rations, bled together, worshipped together, been truly comrades in arms.

The only divisiveness really that you get to in the Navy and the Marine Corps is inside the five-sided building where the competition for resources goes on. And there is a mindset—has long been a mindset—less today, I believe than it has been in the past, that that little piece of the Department of the Navy—I like to use the term “gray dollars” that go to the Department of the Navy. There are others who consider that all the resources that come to the department are “blue dollars,” a little chunk of which is carved off to buy the Marines some of that trivial stuff that they need.

Now, that has been a mindset. So what you do in reinforcing that this is the department of—if it were I writing the bill, I would say it should be the Department of the Navy and Marine Corps.

But what you do, by indicating that the civilian authority that is considering the allocation of those resources is the representative of both the Navy and Marine Corps, is to send to the legions of younger officers who are down there struggling and fighting amongst themselves for those resources that there are two services to be supported here today, as opposed to just a piece of the loose change to be given to the Marines.

So I think you have strong cultural signals in both directions.

Ms. DAVIS OF CALIFORNIA. Thank you.

Secretary HOWARD. Let me add to that. That fight for resources is not going to change at all as a result of this change. I do not mean to say that this is insignificant legislation.

But the significant changes were, as the historian indicated, evolutionary with the growth of the Marine Corps. The legislative changes were those that made the Commandant of the Marine Corps a full member of the Joint Chiefs of Staff. And I believe that was 1980–1981.

The second truly sweeping piece of legislation was Goldwater-Nichols. In fact, these are two independent services within the same military department.

This change in title is simply recognizing the reality. It is not changing the reality or moving it in a new direction.

Ms. DAVIS OF CALIFORNIA. Thank you.

Mr. Chairman, do you know if the Department of Defense has taken a position on this? Or do we expect that they will?

Mr. SAXTON. I have not heard any position.

I am told the Department of Defense position is whatever Congress decides. [Laughter.]

Thank you, Ms. Davis.

Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman. I was with Colonel Kline at the Republican Freshman Saint Patrick's Day festivities last night. So I have my orders.

Mr. Jones has my vote. And I have no questions. [Laughter.]

Mr. SAXTON. Thank you very much.

Mr. Jones, do you have anything further?

Mr. JONES. Mr. Chairman, I just want to thank the witnesses for being here, the members of this committee that came today, you and the staff for allowing this hearing to take place. I believe sincerely that when people review the testimony and those that—there are many groups that do support this legislation.

The Fleet Reserve Association is here today. There are other groups that will be submitting letters; former commandants will be submitting letters and also several Secretaries of the Navy from the past.

So Mr. Chairman, I thank you. If I can show you—Dan, hold up the poster. This is on the back of the coin of the Secretary of Navy, Gordon England, who I hope will become the first Secretary of Navy and Marine Corps. And I believe that shows it is a team.

And God bless our men and women in uniform. Thank you.

Mr. SAXTON. Mr. Jones, thank you.

Let me just say, in conclusion, that this change just seems to me to be the right thing to do. And there are some pretty good reasons for that.

Mr. Jones and Commandant Mundy talked about the feeling of Marines when they are introduced as members of the Department of the Navy or when someone is piped aboard and the Navy is arriving. And that says something about the esprit de corps in the Marine Corps.

And we always need to be mindful of that. And we want to make sure that when people are doing a job, that they get the recognition that is deserved.

But it would also enhance recruiting. When my nephew joined the Marine Corps and he went off to boot camp, when he came home for a little break for two weeks, the recruiter picked him up and took him to the high school where he graduated from.

This is a big deal, getting good people signed up in the Marine Corps. And if you walk in the school or you have a sign-up on the side of the recruiting office that says, "Department of the Navy and Marine Corps," that says something to a young man or woman who is trying to decide what his or her future may be.

And so I think from a recruiting point of view, it would be important. And from a retention point of view, to be part of the United States Department of the Navy and Marine Corps is also important.

So we make changes from time to time. And they are all meaningful.

This would be a very meaningful change. We have other organizations that have come to be from time to time and have changed from time to time.

For example, we had the representatives here yesterday from U.S. Transportation Command (TRANSCOM). That was a change that came about because there was a special need for that kind of a change.

We spend a lot of time with Special Operations Command. It did not always exist. It is a newly formed organization—relatively newly formed organization—because there was a need for it.

So we make changes. And this is one of the changes. I agree with Mr. Jones and every other member that has been here this morning. We think this is an important change that needs to be made.

And I know Chairman Hunter agrees with that, as well. And so, we are going to proceed to make this change as expeditiously as possible. And hopefully, we will get agreement on the Senate this year, because it is important.

So thank you all for being here. We appreciate your participation very much. And we look forward to working with you further on this subject.

Thank you. And the hearing is adjourned.

[Whereupon, at 9:18 a.m., the committee was adjourned.]

A P P E N D I X

MARCH 18, 2004

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 18, 2004

OPENING REMARKS OF CHAIRMAN SAXTON

Hearing on H.R. 1741 – A bill to redesignate the position of Secretary of the Navy as the Secretary of the Navy and Marine Corps.

March 18, 2004

The committee meets this morning to receive testimony on H.R. 1741 – a bill sponsored by Rep. Walter Jones, to redesignate the Office of the Secretary of the Navy as the Secretary of the Navy and Marine Corps. Our witnesses are:

William S. Dudley
Director of Naval History, Naval Historical Center

Admiral Stansfield Turner, USN (Ret.)
Former Director of Central Intelligence

General Carl Mundy, Jr. USMC (Ret.)
Former Commandant of the Marine Corps

Honorable David Howard
Former Under Secretary of the Navy and Acting Secretary of Navy (1992)

Welcome to the Committee, gentlemen. We all look forward to your testimony and appreciate your willingness to appear before the committee.

Let me first recognize the hard work and diligence of Rep. Walter Jones in relationship to this issue. For four long years Congressman Jones has worked this bill and brought needed visibility to this important issue.

I must say that I am impressed with the level of support for this cause, As evidenced by the caliber of our witnesses today. Some may view this issue as a minor one, but I am sure our witnesses today will give us a new appreciation of the significance of this office redesignation.

The redesignation of the Office of Secretary of the Navy, to include the Marine Corps, is a change I personally support. Since 1775, when the Continental Marines were created by an act of Congress, our Nation has benefited from the outstanding Navy and Marines war fighting team which now exists within the Department of Navy.

This team has worked together from the Revolution to the current operations in Iraq and Afghanistan. But while both services have made tremendous contributions to the cause of freedom, only one service in this team is recognized in the title of Secretary of the Department.

Ladies and Gentlemen, we need to address this issue. Too many times we take simple recognition for granted here on Capitol Hill. We must step forward and give honor where honor is due. H.R. 1741 does just that in my opinion.

We look forward to hearing our witnesses' insights and thoughts on this subject.

But, first let me recognize the committee's ranking Democrat, [Mr. Snyder], for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

Mr. Dudley, the floor is yours.

**STATEMENT OF THE
HONORABLE IKE SKELTON
HOUSE ARMED SERVICES COMMITTEE**

SECRETARY OF THE NAVY AND MARINE CORPS

March 18, 2004

Thank you, Mr. Chairman.

Welcome, General Mundy, it's good to see you again. It's been awhile since we last saw you before this Committee. Admiral Turner, we appreciate you taking the time to share your insights on this issue. Mr. Howard and Mr. Dudley, thank you for being here today. I look forward to hearing each of your thoughts on the wisdom of changing the title of the Secretary of the Navy to the Secretary of the Navy and Marine Corps.

As many of you may know, our colleague, Mr. Jones from North Carolina, has been a staunch advocate of changing the name of the Secretary of the Navy to the Secretary of the Navy and Marine Corps. He has introduced a bill to that affect, premised on the notion of the equal status of both the Navy and Marine Corps and to more accurately reflect the Secretary's responsibilities.

While I am a cosponsor of Mr. Jones' bill, I am also interested in learning more of the historical background behind the original designation of the Secretary of the Navy and how the

course of history has evolved over time to create the perception that we need to change the title of the position.

Marines have served alongside their naval comrades-in-arms since the American Revolution, and have continued to serve with the Navy since shortly after Benjamin Stoddert was named the first Naval Secretary on June 18, 1798. With this long record of the two components serving together, I am curious why our predecessors in Congress established the position of the Secretary of the Navy, without including the Marine Corps, and why the name has not been changed in over 200 years.

Tradition and culture are important. I imagine that those who have worn the uniform of United States Marine Corps, which has its own rich history and culture, fully appreciate the importance of service traditions. I think we need to be cautious when we start to tinker with well established traditions that may affect service history and culture. I look forward to understanding what circumstances now warrant changing the title of the Secretary of the Navy and how our witnesses think that will affect both the Navy and Marine Corps culture and traditions.

I thank our witnesses for coming today and look forward to hearing their thoughts on this issue.

House Armed Services Committee
Hearing:
Re-designation of the Secretary of the Navy
H.R. 1741

Opening Remarks
Congressman Walter B. Jones (NC-3)

Mr. Chairman, thank you for the opportunity to debate this long, overdue improvement. I would ask that my statement be inserted into the record in its entirety.

I would also like to thank the witnesses for appearing this morning at this early hour.

For more than a century, the Acts of 1798 & 1834 governed the status of the Marine Corps. In 1947, the National Security Act became law and, as amended by Public Law 416, not only spells out the missions of today's Marine Corps, but defines the Corps in declaratory language as one of the four services given statutory missions.

In the first years of unification there was a tendency by many to assume that the National Security Act had intended to divide the military into *three* elements corresponding to three Service Departments, with the *Marine Corps* merely a specialist branch under the Navy Department. This misconception was laid to rest during the debate & hearings regarding House Report 970, during the 84th Congress. This House Report, addressing the codification of Title 10, U.S. Code states:

"....the legislative history of Public Law 432, the National Security Act of 1947, and Public Law 416 of the 82nd

Congress...clearly indicates that the Marine Corps is legally a separate and distinct military service of the Department of the Navy with individually assigned statutory responsibilities, and that the Commandant directs and administers the Marine Corps under delegated command of the Secretary of the Navy."

The above statement provides an excellent summary regarding the status of the Marine Corps relationship with the Secretary of the Navy.

That being said, I sincerely feel that of all the changes, and all the amendments...confusion still exists.

For example:

- Many in the active service, both officer and enlisted still consider the Marines as part of the Navy, rather than as part of the Department of the Navy
- This distinction is important – rather than being just another resource sponsor within the Navy (analogous to Surface Warfare, Submarine Warfare, Aviation, etc.), the Marine Corps is a *separate* standing Service under the law, with a Four Star General Officer as an equal partner to the other Service Chiefs on the Joint Chiefs of Staff
- The Marine Corps has separate budget authority under the Department of Navy Budget - not the budget of the Navy.

The naval character and close relationship of both the Navy and Marine Corps warrant their continued relationship under a single Secretary, and recognize the close tie between the two services as well as efficiencies gained when compared to such ideas as creating a separate Department of the Marine Corps. It may, however, give us some reason to think that amending the title

of the Secretary of the Navy to Secretary of the Navy & Marine Corps might be an idea whose time has come.

In closing, I would like to just mention a few examples of the Navy/Marine Corps Team:

- Navy & Marine Corps Tactical Aviation
- Navy & Marine Corps Society
- The Appointment for the 1st time of a Marine to be Commandant of Midshipman at the US Naval Academy
- Navy & Marine Corps Stadium
- And finally, Secretary of the Navy and *Marine Corps*, the time has come to make this change.

Thank you Mr. Chairman. I look forward to hearing from our witnesses and other members on this important subject.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE
HOUSE ARMED
SERVICES COMMITTEE

STATEMENT OF
DR. WILLIAM S. DUDLEY
DIRECTOR OF NAVAL HISTORY
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
ON THE
SECRETARY OF THE NAVY AND MARINE CORPS
18 MARCH 2004

NOT FOR PUBLICATION UNTIL
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HOUSE ARMED
SERVICES COMMITTEE

The Origins and Traditions of the Relationship Between the Navy and the Marine Corps Under the Secretary of the Navy

Introduction

Good morning Mr. Chairman and distinguished members of the committee. I appear before you today to offer an historical perspective on the office of the Secretary of the Navy and its relationship with the United States Marine Corps. The United States Marine Corps, from its establishment in 1775 to the present, has served the United States Navy and has been subject to the civilian executive having authority over the Navy since such a position was established in 1798. Historically, nations with a strong naval heritage have included their marines as an integral component of their naval forces. For instance, the Royal Marines and the Royal Netherlands Marines exist within the navies of the United Kingdom and the Netherlands.

When the Department of the Navy was established on 30 April 1798, it was understood by all that the department included Sailors and Marines. To the executive at the head of the Department of the Navy the act gave the title Secretary of the Navy. The Secretary is the civilian head not just of the Navy component of the Department of the Navy but of every element that comes under the Department of the Navy.

From the beginning, the word *navy* in the titles "Department of the Navy," and "Secretary of the Navy" has been used in the dictionary sense of: "the complete military organization of a nation for sea warfare including yards, shops, stations, men, ships, offices, and officers: the naval establishment." [Webster's 3rd International Dictionary.] The term "navy" is not meant to imply just ships and supporting assets, but is intended to include all components used by the nation in exercising naval power. Thus, it includes the U.S. Marine Corps. To change the title to

"Secretary of the Navy and Marine Corps" would imply that the term *navy* in the title was not used in the comprehensive sense described above, but in the narrower sense of "the fleet."

History

1775 – The Continental Navy

On 13 October 1775 the Continental Congress authorized the procuring, manning, arming, and fitting out of armed vessels. This legislation established the Continental Navy.

On 10 November 1775, two weeks after establishment of the Continental Navy, Congress resolved to raise two battalions of Marines. On the twenty-eighth of the same month, Congress adopted "Rules for the Regulation of the Navy of the United Colonies" that applied equally to the Marines as to the Sailors. Marine officers were to serve with naval officers on courts-martial. Marines and Sailors were to subscribe to the same enlistment papers, binding themselves to be subject to the commanding naval officer of their ship.

After the United States had won its War for Independence, the Continental Congress ordered all the ships of the Continental Navy sold, and the personnel--Sailors and Marines--paid off and discharged.

1787 – The Constitution

The Constitution of the United States, adopted in 1787, gives Congress power to raise money to "provide and maintain a navy." Nowhere does the United States Constitution state that Congress has the power to create a Marine Corps. Rather, Marines are implicit in the power to provide and maintain a navy.

In response to attacks on American merchantmen by corsairs of the Barbary Powers of North Africa, Congress adopted an "Act to provide a naval armament," which President Washington signed on 27 March 1794. The act authorized the President to provide, equip, and employ

six armed ships, and directed that each ship's complement was to include Marines, a lieutenant, a sergeant, one or two corporals, a drummer, a fifer, and 40 or 50 privates. Thus, the first naval legislation under the Constitution included Marines as part of the re-established Navy.

1797

On 1 July 1797, President Washington signed another "Act providing a naval armament," which empowered the President to cause three frigates to be manned and employed. Congress directed that the crews were to include Marines. The act specifically referred to the Marines as "belonging to the navy."

From the beginning, Marines have been subject to naval discipline. Marines on board ship are subject to the commands of naval officers. The historic mission of Marines was to serve the commanding officer of a ship of war-- to protect naval officers, to maintain order, and to act as an offensive force.

1798 -- Creation of the Department of the Navy

In response to the obvious need for an executive department responsible solely for, and staffed with persons competent in, naval affairs, Congress passed a bill establishing the Department of the Navy. President John Adams signed the act on 30 April 1798. Benjamin Stoddert became the first Secretary of the Navy.

On 28 May Congress authorized the public vessels of the United States to capture armed French vessels hovering off the coast of the United States, initiating an undeclared Quasi-War with France. That conflict led to the rapid passage of several pieces of naval legislation, including the act that established the United States Marine Corps on 11 July 1798.

The Marines' principal function was to serve as detachments on board naval vessels, but the act also allowed them to be assigned to shore duty. The Marines were to be subject to the rules and articles of war prescribed for the military establishment and to the rules for the regulation of the Navy. A leading historian of the United States Marine Corps interprets the act establishing the corps as follows:

The Act of 1798 did not give the Marine Corps an organizational existence or mission independent of the Navy, for the legislation authorized the President to discharge Marines whenever there were changes in the numbers of vessels in commission--if he did not want to use the Marines in other duties ashore. Nor did it specifically state that service ashore meant that the Marine Corps was to come automatically under the control of the Army, as some Army officers later assumed. In essence, the law allowed the President as Commander-in-Chief and the Secretary of the Navy by implication to use the Corps of Marines as they saw fit. [Allan R. Millet, *Semper Fidelis: The History of the United States Marine Corps* (New York: Macmillan, 1980), p. 30.]

The Commandant of the Marine Corps reported directly to the Secretary of the Navy.

1834

An Act for the better organization of the United States Marine Corps, approved on 30 June 1834, clarified some of the ambiguities left by the act of 1798. The new act directed that the corps would be subject to the laws and regulations for the government of the Navy. Congress also decreed, "no officer of the marine corps shall exercise command over any navy yard or vessel of the United States." The 1834 act left the relationship of the Marine Corps to the Secretary of the Navy unaltered.

1882

The naval appropriation bill of 1882 provided that graduates of the Naval Academy could be selected to be officers in the Marine Corps, emphasizing the close union of the Marine Corps and the Navy under the umbrella of the Department of the Navy.

Throughout most of the nineteenth century, the Marine Corps was a small service, numbering no more than a few thousand men, expanding temporarily only in times of crises, such as during the Mexican War, the Civil War, and the Spanish-American War. Occasionally during the course of the century, the Marine Corps had to justify its continuance against reformers who believed that its functions could be served more efficiently by Sailors in the Navy or by soldiers in the Army. Throughout most of the century the Corps' functions remained the same, to guard naval facilities ashore, to maintain discipline on board ships, to man guns and fire weapons in battle, and to join in landing parties.

The emergence of the New Navy in the 1880s and 1890s presented the Marines a new challenge. In a navy of steel-hulled and armored ships, high-power rifled artillery, rapid-fire guns, torpedoes, and high-pressure boilers, where was there a place for Marine riflemen?

In 1895, in response to pressures within the Navy to abolish the Marines' function as ships guards, the Secretary of the Navy determined that henceforward Marines would be considered "full members of the ships company, liable to the full range of shipboard duties" [Millet, *Semper Fidelis*, p. 125].

1898 - Spanish American War

At the Battle of Santiago de Cuba, during the Spanish American War, the Army, intent on taking the city by land, was reluctant to capture heights that the Navy wanted secured to support their attack on the Spanish fleet. The experience at Santiago convinced many naval leaders that the Navy could not rely entirely on the Army and needed its own land force to capture and secure territory. For example, the Navy sent the Marines to seize and occupy the land surrounding Guantanamo Bay in order to obtain a secure base for a coaling station. From this time forward, they looked to the Marine Corps to accomplish similar missions.

1908

On November 12, 1908, President Theodore Roosevelt issued an executive order redefining the duties of the Marine Corps that did not mention ships guard duty, but emphasized protection of shore facilities and participation in expeditionary forces overseas. When the Secretary of the Navy learned that Roosevelt had subsequently told aids that he thought that the Marines should be amalgamated with the Army, however, he told reporters, "It will be a very great mistake to put them in the Army. We want them in the Navy." Congress came to the defense of the Marine Corps, concluding that the Corps would be indispensable as landing party infantry and as expeditionary forces. Fearing that the ending of the Marines' role as ships guards would be a prelude to amalgamation with the Army, Congress attached the restoration of the Marines as ships guards as a rider to the Naval Appropriations Act of 1909.

With the responsibility of securing the United States' newly acquired colonies in the Philippine's and in the Caribbean, the Navy found that it needed the Marines to secure bases ashore, and in 1900 the Navy General Board formally assigned to the Marine Corps that new function. Between the end of the Spanish American War in 1898 and the beginning of World War I in Europe in 1914, overseas military interventions by the United States transformed the missions of the Marine Corps to include those of colonial infantry and expeditionary force. During those years, Marines helped put down rebellion against American governance in the Philippines and went ashore to protect American lives and property in Honduras, Abyssinia, Syria, Tangier, Russia, China, Cuba, Nicaragua, Haiti, Santo Domingo, Panama, and Mexico, sometimes remaining as a police force for years. Shouldering new missions, the Marine Corps remained an integral

part of the Department of the Navy. By the coming of World War I, the role of the Marine Corps had been redefined and its place within the Department of the Navy secured.

World War I

World War I marked the first time in U.S. history that major Marine Corps units operated apart from Navy support. Fearing that the morale of the French army might crack in the face of a powerful German offensive, the Allied command called for the emergency dispatch to the theater of American combat troops. Washington responded by sending its best-trained and ready forces. The Marines fought on the Western Front as one brigade of the U.S. Army's Second Infantry Division.

Inter-War Period

Between 1900 and 1938, on average Sailors comprised 80% of Department of the Navy's personnel and Marines 20%. [Memo, Assistant Commandant of the Marine Corps to the Chief of Naval Operations, 10 Mar 1948].

During the interwar years, the Navy Department focused on what it considered to be the greatest threats to the United States—Japan and the Imperial Japanese Navy. War Plan Orange was the preeminent planning document for a possible war with Japan. In that plan, the primary strategic mission for the Navy was to fight its way across the vast Pacific Ocean and somewhere in the vicinity of the Philippines defeat the enemy navy. Japan, however, had occupied and fortified many of the island chains between Hawaii and the Philippines. The islands would have to be seized not only to neutralize these intervening enemy positions but also to provide the U.S. Navy with land-based airfields, secure anchorages, and supply points on the move toward the Western Pacific.

To accomplish this mission, during the interwar years the Navy Department developed a comprehensive approach to the strategic problem facing it. Admirals Chester W. Nimitz, Raymond A. Spruance, and other strategists at the Naval War College envisioned employing the full power of the Fleet in the cross-Pacific campaign. Battleships, aircraft carriers, and submarines would sink any enemy naval vessels that impeded the Fleet's progress through the island chains. Carrier aircraft and surface gunfire ships would then reduce Japanese defenses ashore. The next step would involve naval amphibious ships and craft putting naval infantry on the hostile shores. The Marines would not only seize the islands but also provide garrison troops to hold them. Thereafter, naval construction forces (later called Seabees) and logistic units would develop robust advanced bases that included airfields, supply depots, and other support facilities. With its line of communications secure and forward-based supplies assured, the Fleet would then press on for its cataclysmic battle with the IJN.

To facilitate this new mission, during the 1920s and 1930s the naval services investigated appropriate landing ships and smaller vessels and developed a comprehensive amphibious warfare doctrine.

World War II

World War II in the Pacific unfolded much as the pre-war planners had anticipated. The fast carrier forces under Admirals Spruance and William F. Halsey neutralized opposing Japanese naval and shore-based air units; the Pacific Fleet's submarine force sank enemy naval combatants and interdicted the island-to-island movement of troops and supplies; battleships, cruisers, destroyers, rocket ships, and other surface vessels and naval aircraft destroyed enemy fortifications, communications, and troops ashore; naval amphibious ships and craft transported assault troops to the beaches; Marine infantry, armor, and artillery units seized and occupied key islands;

and Seabees and other logistic support units prepared advanced bases. All of the Navy's resources were employed and all were necessary to carry out the mission.

The Navy's comprehensive approach to winning the war in the Pacific, borne out by the experience of combat, culminated in the multidimensional campaigns to seize the Philippines, Iwo Jima, and Okinawa. Naval air, surface, submarine, Marine, and supporting forces, none more important than the others, were instrumental in bringing about the surrender of Japan in August 1945.

Post-War

With the advent of the atomic bomb in 1945, some Americans questioned the need for naval aviation and naval amphibious forces. Some concluded that America's sole possession of atomic weapons would discourage any country from starting a war. If, however, the unthinkable happened, the employment of a few atomic bombs would quickly bring enemy defeat and surrender. Long-range bombers, not aircraft carriers or Marine divisions, so it was said, were all that was needed to carry out this mission.

Congressional hearings during the late 1940s on these issues, often acrimonious, resulted in acceptance of the need for both aircraft carriers and Marine amphibious forces. In fact, the continued existence of several Marine infantry divisions and Marine aviation was given statutory protection during the period.

Korean War

The Korean War that broke out on 25 June 1950 reinforced the utility, even in the atomic age, of the entire range of naval forces. U.S. strategic planners recognized that since Korea is a peninsula, sea power would be vital to the U.S. and United Nations war effort. The Allied strat-

egy was to prevent the spread of conflict throughout the Western Pacific and defeat Communist forces threatening the Republic of (South) Korea.

The Navy began to execute its role in that strategy almost immediately. The Seventh Fleet was deployed off China to discourage the Chinese Communists from widening the war; submarine and air patrol units kept watch for Communist naval units in the seas touching Korea; carrier aircraft struck the Democratic Republic of (North) Korea's capital of Pyongyang only one week after the outbreak of war; cruisers and destroyers eliminated the North Korean navy; Navy and Marine air units based afloat and ashore provided critical close air support to UN forces under intense pressure; and sealift ships rushed reinforcements and supplies to the fighting forces. In September 1950, naval surface and air forces, under Navy command, neutralized enemy defenses around Inchon and amphibious forces deployed naval infantry ashore to seize and hold the critical port, through which soon poured Army reinforcements and supplies. Allied forces, led by the 1st Marine Division, then captured Seoul, forcing the enemy invaders to flee north.

When intervention by Chinese Communist forces caused a UN decision to withdraw forces from North Korea, the 1st Marine Division fought its way back to the coast; naval air units, battleships, and cruisers kept the enemy at bay; and amphibious ships re-embarked the UN forces and redeployed them to the south to fight again. For the remainder of the war, naval forces, including Marine units, fought successfully to preserve the independence of the Republic of Korea.

The Cold War

Throughout the Cold War, the various components of the Navy operated in support of national strategic objectives. The ballistic missile submarine force deployed to the depths of the world's oceans to discourage a Soviet nuclear attack on America. Aircraft carrier, surface ship,

amphibious, and Marine forces operated forward around the globe in support of the national Containment Strategy. These components operated together to enforce American foreign policy objectives in Lebanon, the Taiwan Straits, Laos, and hundreds of other global locations. In the fall of 1962, the Navy's attack submarines, patrol aircraft, carriers, surface ships, amphibious vessels, and Marine units served to compel the Soviet Union to withdraw its nuclear-armed missiles from Cuba.

Vietnam

During the long war in Vietnam, Navy and Marine Corps task forces provided critical mutual support in interdiction and close air support, amphibious, coastal patrol, and riverine operations. Even when the 1st and 3rd Marine Divisions deployed ashore, they fought in coordination with carrier aircraft, battleship *New Jersey*, cruisers, and destroyers, and river warfare forces. Integral components of the Marine infantry and aviation units ashore were Navy medical battalions, corpsmen, and chaplains.

Post-Vietnam

In 1980, the Commandant of the Marine Corps was made a full member of the Joint Chiefs of Staff, and in 1986 under the Goldwater-Nichols Act, the Marine Corps was given equal status with the other services.

During operations in Grenada and Lebanon in 1983, naval carrier, amphibious, and Marine forces, under the operational control of a Navy commander, carried out national directives. In 1987 and 1988, Navy and Marine forces under a joint task force commander, a Navy flag officer, curtailed Iranian mining of the Persian Gulf and destroyed Iranian fortified platforms and naval combatants.

In the Persian Gulf War, carriers, battleships, cruisers, destroyers, frigates, amphibious ships, mine warfare vessels, naval special warfare units, Marine Expeditionary Units, and other naval forces acted in concert to accomplish the mission—drive the enemy from the northern Persian Gulf—assigned them by Vice Admiral Stanley R. Arthur, Commander U.S. Naval Forces, Central Command. Each of these components was essential to the success of the others. The 1st and 2nd Marine Divisions operated ashore in cooperation with carrier and shore-based aviation units, battleships *Missouri* and *Wisconsin*, and Navy and Marine amphibious forces.

Operations in the Balkans during the late 1990s and operations Enduring Freedom and Iraqi Freedom in the 21st century again demonstrated the utility of mutually supporting naval components, including submarine, air, surface, amphibious, and Marine ground forces. Our Navy-Marine Corps team, in the first decade of the 21st century, operates on and from the sea, deploys around the globe, and is more closely integrated than the other armed services.

Conclusion

In short, from 1775 to the present, the Department of the Navy has successfully accomplished the national strategic missions assigned to it. To do so, it has employed all of its forces, routinely under Department of the Navy command, in a coordinated, flexible, and mutually supporting fashion. Those forces have included, when appropriate, submarine, aviation, surface warship, amphibious, and naval infantry, or Marine, units. Despite the growth of both Navy and Marine Corps missions over time, this has been one of the most successful combined arms teams in military history. All this has been accomplished under the direction of a civilian Secretary of the Navy through the Chiefs of Naval Operations and the Commandants of the Marine Corps.

Thank you for the opportunity to appear before you today. I look forward to your questions.

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THE HOUSE ARMED
SERVICES COMMITTEE

STATEMENT OF
GENERAL CARL E. MUNDY, JR.
UNITED STATES MARINE CORPS, RETIRED
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
CONCERNING
REDESIGNATION OF THE POSITION OF THE SECRETARY OF THE NAVY AS
THE SECRETARY OF THE NAVY AND THE MARINE CORPS
ON
MARCH 18, 2004

NOT FOR PUBLICATION
UNTIL RELEASED BY
THE HOUSE ARMED
SERVICES COMMITTEE

It's my privilege to come before this Committee to speak in support of your consideration of the proposal by Congressman Walter B. Jones to re-designate the position of Secretary of the Navy to Secretary of the Navy and Marine Corps.

In my judgment, this is an action that will accurately align the Secretary's title within his designated authority and responsibilities. The present title is confusing, represents only two-thirds of the uniformed service members in the Department, and is inconsistent with the status of the four Armed Services in the Department of Defense.

This proposal does not portend a change in the status of the Marine Corps within the Department. The status of the Corps, as a distinct Service, has evolved incrementally over many years through the actions of the Congress. Various pieces of long-standing legislation have effectively defined the Corps as an individual service within the Department of the Navy along with the U.S. Navy. More recently, there have been two important pieces of legislation. In 1980, the Congress formalized the status of the Commandant of the Marine Corps as a full member of the Joint Chiefs of Staff. Less than a decade later, the Goldwater-Nichols Act prescribed individual Service components, including the Marine Corps, within Unified Commands.

Thus, the status of the Marine Corps in the joint force organization and functioning of the Department of Defense is clear and operative. However, the titles "Department of the Navy" and "Secretary of the Navy" lead to some confusion in the public mind, as well as among civilian authorities and other Service members in both U.S. and allied defense establishments, and even in the ranks of the Navy and Marine Corps themselves from time to time as to the partnership of the Navy and Marine Corps within a common Department. Too often, a presumption is made that Marines are part of, or subordinate to the Navy.

I believe the changes proposed in H.R. 1741 will do much to clarify the relationship, responsibilities and functions of the appointed civilian authority over the United States Naval Services. Further, it will strengthen the understanding of the naval force structure within our defense establishment and the two Services that comprise it. Finally, I believe that any Secretary - present, or future - will be very proud to bear the title "Marine", as well as "Navy".

I thank you again for the opportunity to come before you, and will be pleased to respond to your questions.

The Bill to rename office of the head of the Navy Department "The Secretary of the Navy and Marine Corps"

Statement by Dan Howard, former Under Secretary of the Navy, 1989-93

For over two hundred years our nation has been well served by a Navy Department and its secretariat that administers two separate military services, the only military department to do so. The Bill would change the name of the office of the Secretary of the Navy to that of Secretary of the Navy and Marine Corps. The Bill would make no other changes to the way in which the Department administers the two services. I believe that this largely symbolic change is important in its own right. It would allow the Secretary to present himself as the equal sponsor of both of these great services. If the House chooses to act positively on this matter it will not be the first time that it has engaged in providing symbols that the warfighters consider to be of value. The official seal of the Marines, now so familiar to all, is not that old. The fact that we now have a seal for the Department as a whole and two seals for the Department's two services is the result of a long campaign and the action of the Congress in making it so.

Administratively the Commandant of the Marine Corps is in no way subordinate to the Chief of Naval Operations. Neither is the Marine Corps a part of the United States Navy. These are the facts, but any poll would reveal much confusion on this point even among many otherwise well informed citizens. I honor the world's greatest Navy. This is the greatest Navy the world has ever known. I do not believe that any of the sponsors of this proposed legislation intends any criticism or slight of the United States Navy. No one wishes to undercut the power, authority or span of control of the Navy. Otherwise I could not support the Bill. I served with pride in the Marine Corps, but I worked side-by-side with Sailors doing precisely the same job. I respected my teammates as equals. My late father-in-law landed on Saipan and Tinian as a Marine. My son is a Department of the Navy scientist. My son-in-law is a Naval Academy graduate and is currently serving proudly as a United States Navy F/A-18 pilot. We are truly a Navy-Marine Corps team family. Both of these great services are accorded all due respect around our house. However, I have noticed that almost all of those who actively promote the virtues and synergy provided by the Navy-Marine Corps Team are Marines. There is certainly good cooperation between these two services. The dialogue between the CNO and Commandant is frequent and positive. The three-way communication with the Secretary is also reportedly very solid. However, I believe that this simple name change in the Secretariat would allow the Secretary (and Under Secretary) to better present the office of the Secretary as representing both of these great services equally. On many occasions during my tenure as Under Secretary I was introduced at Marine events as the "Under Secretary of the Navy and Marine Corps" or even as "Under Secretary of the Marine Corps". It was always done with a little humor, but I often detected a yearning on the Marines' part that this was the official title. I even have desk nameplates, flight jacket name tags, baseball caps and coffee mugs with this title on them.

I urge the Committee to support this Bill and make official what is clearly the de facto case today. The Secretary of the Navy is already the Secretary of both the United States Navy and the United States Marine Corps in every way except under Title 10, U.S. Code.

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—REGIONAL COMBATANT COMMANDERS, U.S. EUROPEAN COMMAND AND U.S. SOUTHERN COMMAND

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, March 24, 2004.

The committee met, pursuant to call, at 10:08 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order. This morning, the committee continues its review of the posture of our unified commands for fiscal year 2005. Our guests today are General James L. Jones, United States Marine Corps, Commander, U.S. European Command (EUCOM); and General James T. Hill, U.S. Army, Commander, U.S. Southern Command (SOUTHCOM). Welcome back to the committee, gentlemen. We look forward to your testimony. We appreciate your appearance. Over the last year or so, a number of critics have accused the Administration of acting unilaterally in the world. If your test for multilateralism is global consensus, it would be easy to believe that those charges were accurate. In fact, they could not be further from the truth.

Even though France, Germany and Belgium criticized the United States for Operation Iraqi Freedom, some 34 countries have contributed forces to providing security and stability in Iraq. Three fall under General Hill's area of responsibility and 22 of those countries fall under General Jones'. Collectively, they constitute a majority of our allies in the North Atlantic Treaty Organization (NATO). The United States is also working cooperatively with 34 other countries in the International Security and Assistance Force in Afghanistan, under NATO leadership.

In Haiti, the United States has deployed peacekeepers in cooperation with troops from France, Canada and Chile. And in Colombia, the United States is actively engaged in raising standards of professionalism and instilling a respect for human rights in the Colombian military, both of which are necessary if Colombia's fragile democracy is to prevail against narco-terrorists.

In Africa, the Administration is launching the Pan-Sahel initiative to assist Mali, Niger, Chad and Mauritania in reducing the ungoverned spaces they share and closing down a possible refuge for terrorists and their allies. In Liberia, U.S. forces worked closely

with the Economic Community of West African States, an organization of 15 countries, to bring fighting there to a halt and restore some degree of law and order.

Clearly, this is not the picture of a country unable to work and play well with others. Instead of the caricature painted by certain pundits, it is the image of an Administration moving proactively and multilaterally to change material facts on the ground and improve U.S. national security. And ultimately, that is where our security lives—in proactively changing our environment by acting to remove the threats to our security, not in accepting the lowest common denominator on which the world's governments can all agree.

Being proactive means changing some of our historical national security relationships. It means that some activities and locations accustomed to being at the center of U.S. policymaking during the Cold War will become less important and that some feelings could be hurt as the United States changes its global defense posture to reflect the new strategic landscape we face. Ultimately, it means changing our global footprint and relocating many of our military forces around the world.

Generals Jones and Hill understand that, and are at the center of these shifts. Even as we meet, they have been reconfiguring their activities to better deal with the war on terror. Gentlemen, I look forward to hearing how your Commands are adapting to our new strategic circumstances.

So thank you again for being with us and taking some of your valuable time to work with the committee this morning. Before we go to General Jones, let me recognize my partner, the distinguished gentleman from Missouri, the Ranking Democrat, for any remarks he might want to make. Mr. Skelton?

[The prepared statement of Mr. Hunter can be found in the Appendix on page 787.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you, and thank you for calling and arranging this hearing.

General Hill, welcome back, and General Jones, we welcome you back to the committee. I think this is your first visit, however, as the Commander of the European Command, and a special thanks to you for visiting with our delegation in Ramstein when we were on our way back from Afghanistan and Iraq. I know many know already, but you were honored last night at the Marine Barracks with the unveiling of your portrait, so we congratulate you on that, General Jones.

Let me say, Mr. Chairman, at the outset how proud we are of the young men and young women who serve in the commands that are seated before us. We know the many forces from Europe, including now the First Infantry Division, are now in Iraq and many more have already served in both Iraq and Afghanistan. They have done so with distinction.

In the Southern Command, American Marines are trying to bring order again out of troubled Haiti, as they have so many other places and so many other times. Each time I visit with the troops,

I am amazed at how accomplished they are. General Jones, our NATO partners have formed a core alliance for more than 50 years. They are with us in Afghanistan. Our collective presence there I believe is key to helping President Karzai bring stability to that nation. I also believe that our NATO allies are critical in our efforts in Iraq in assuring the Iraqis that this is not an American occupation alone, and decreasing the burden on our already-stretched troops.

Things, as we know, have a potential to go bad quickly in Iraq. Last week's bombing showed that. I hope the transition to some new government at the end of June goes smoothly and that Iraq becomes a stable country with a viable and representative form of government. I also worry that the situation there could devolve into a civil war. We need to be prepared for that possibility. Hopefully, it does not come to pass.

The NATO countries are the best friends we have, and Europe has just as great a stake in Iraq and the Middle East as we do. Stability is as important to them as it is to us. In the aftermath of the Spanish bombings, though, I worry about their significant NATO participation in Iraq and that it will become problematic. General Jones, I hope you will address us on that issue.

General Hill, it will not come as any surprise to you that I remain concerned about our troop involvement in Colombia, in particular the Department's request to increase the existing troop and contract caps that are there. This is not to say that I do not think the president there is making progress against the rebel groups. I think that he is. My concern is about the level of American military commitment. I believe doubling the number of military personnel is not a small increase. I am concerned that this increase portends a creeping involvement in the conflict that is, at its base, a civil war; that tying ourselves so closely to the success of the Colombia Plan is a worry that we are effectively committing ourselves to future requests for troop increases if things do go badly. I do not hope for that outcome, but I think the possibility argues for a strategic look at the entire policy now if we find ourselves defaulting into any significant military obligations.

I am particularly concerned about the troop cap issue. I hope, General Hill, you will address this issue for us. I have believed for some time that we need a significant and permanent end-strength increase, especially in the Army. Even if we got that increase, I still believe we currently should examine the strategic necessity of this policy change of which you are to testify.

So we thank you both, General Jones and General Hill, for being with us. We look forward to your testimony.

Mr. Chairman, thank you.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 792.]

The CHAIRMAN. I thank the distinguished gentleman.

General Jones, welcome back before the committee. We respect you greatly and the leadership that you have exercised to project American power in the form of Marine amphibious groups around the world. We know you have a tough challenge and you are kind of in a period, an interesting period. It is one marked by warfighting, but also sometimes that is the best time to move new

configurations, without all the burdens and the slow-downs that are associated with a totally peacetime situation.

So thanks for all your past efforts and for what you are going to do. The floor is yours, sir.

**STATEMENT OF GEN. JAMES L. JONES, USMC, COMMANDER,
U.S. EUROPEAN COMMAND**

General JONES. Thank you, Mr. Chairman. It is a great pleasure to be back before this committee for one more time, this time in my capacity as Allied Commander in Europe and Commander of U.S. forces in Europe.

By way of just consolidating my statement, with your permission, Mr. Chairman, I will just make a few brief remarks and ask that the balance be submitted for the record.

The CHAIRMAN. Certainly. Without objection, both statements will be taken into the record.

General JONES. Thank you, sir.

Mr. Chairman and members of the committee, 2003 was a dramatically exciting year for both the alliance and for the U.S. European Command, whose responsibilities span approximately 91 countries in Europe and Africa. 2003 was marked by change the likes of which we have not seen perhaps in the history of NATO. I would like to spend a few words on the NATO aspect of things because it is so important and so clearly connected to what it is we are going to be doing in the future as a nation, and more importantly, how we are going to be doing it with regard to using our military forces.

One of the most fundamental changes that happened to the North Atlantic Treaty Organization was the Prague Summit of 2002, which gave clear guidance for the direction of the alliance. In short form, the alliance was tasked with transforming itself and becoming more relevant, abandoning the World War II structures, a 20th century mentality of linear conflict, static defense of formations based around large massed armies that could defend territory, but could not project or go anywhere else.

The Prague Summit mandated through a very ambitious list of Prague capability commitments that the alliance change itself and become more useful on a global scale. It mandated the creation of the NATO response force, which was in its most expeditionary elements to be prepared to move within 5 days of notification, sustain itself for 30 days anywhere on the face of the globe. It mandated that we close unnecessary headquarters that dotted the landscapes of NATO and streamline the command process. It mandated the creation of three operational headquarters. It mandated the disestablishment of the Supreme Headquarters Atlantic and the creation of the Allied Command for Transformation, which is up and running today in Norfolk, as you well know.

The point of all of that, Mr. Chairman, is to say that the alliance accomplished all of those things in less than one year. The NATO response force is a reality. The command structure has been reformed. The allied transformation is a reality. The three operational headquarters are a reality. Like our forces here in the United States, NATO's forces are also increasingly engaged on a global playing field.

As we speak today, NATO is conducting highly successful and challenging operations of a maritime nature in the Mediterranean on both the eastern and western ends of that important body of water. It is conducting ongoing Balkan operations in specifically Bosnia-Herzegovina and Kosovo, and is getting ready to transfer the operational control of the operations in Bosnia-Herzegovina to the European Union, presumably some time at the end of this year.

Finally, in its most ambitious undertaking in perhaps the history of the alliance, NATO has signaled its intent and willingness to do much more and expand its mission in Afghanistan. Currently, there are 6,300 NATO soldiers in Afghanistan operating in and around the capital of Kabul, with one provincial reconstruction team under the German lead-nation concept in Konduz. We are in the middle of a force generation process in NATO to expand that to five provincial reconstruction teams, two more in Konduz, and three in the province around the city of Herat. NATO has said that it will continue to expand in Afghanistan and take over much more of the provincial reconstruction team effort and security stability and reconstruction operations in the country. This should be welcome news to us.

So if 2003 was a year of change, 2004 is a year of operations. The operations that I have just described represent the direction, the clear and unmistakable direction of the North Atlantic Treaty Organization as it revamps itself, redefines itself and seeks to have more impact in ongoing world crises.

The biggest change, though, in the North Atlantic Treaty Organization is around the concept of transformation. Nations understand that in order to be more effective and in order to be more agile, more expeditionary, more deployable, more useful, the massed armies of the past are just that. They need to be reformed. They need to be reduced and they need to maintain their budget investments at least at the current levels in order to generate economies of scale so that the transformation, which is principally a function of the land armies of Europe, can take place.

It is extremely important that certain ongoing programs in the North Atlantic Treaty Organization continue to survive. I will just mention a few: the Partnership for Peace Program, which is going to next week produce seven new full members of NATO. It is a program that is very much deserving of our support. As we speak, there are political discussions underway to determine what new countries might be good candidates to join this very important program.

The Mediterranean Dialogue is also a program that deserves some scrutiny and rejuvenation as countries such as Libya, Algeria, Tunisia and Morocco become more aligned with our philosophies and more contributing members in the Global War on Terrorism, specifically Algeria, Tunisia and Morocco. We can generate the Mediterranean Dialogue which should reflect a community of nations, in my view, from around the Mediterranean basin, so that we can make significant reductions in illegal trafficking, shipment of weapons of mass destruction, uncontrolled human migration, terrorists seeking new havens in both Northern Africa and sub-Saharan Africa, and the ungoverned spaces of that vast continent, and be able to better control the accesses through the Mediterranean

and add to the security of the southern flank of NATO, but also and equally importantly, the northern flank of Africa.

The United States European Command plays a pivotal role in ensuring the success of these ongoing missions within the context of the North Atlantic Treaty Organization. Tasked with having oversight of 91 countries, the U.S. European Command acknowledges the family of threats, the focus on the greater Middle East, and also the emerging threats to our south that I just mentioned a moment ago with regard to Northern Africa and sub-Saharan Africa.

In 1993, the U.S. European Command contributed as a supporting command to Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF). On this score, I would like to emphasize that over 95 percent of the Continental United States (CONUS)-based units transited the European Commands area of responsibility (AOR) en route to Afghanistan and Iraq. Units included the 101st Airborne Division, the Third Infantry Division, the 82nd Airborne Division, the Fourth Infantry Division, the First Marine Expeditionary Force, numerous carrier battle groups, and Air Force fighter wings.

Transiting through Europe unimpeded, they were provided the support of air space and overflight coordination and approval, transit rights through various countries within the EUCOM AOR, force protection for all vessels transiting the Mediterranean, bed-down locations for aircraft and passengers, and provided fuel, subsistence, replenishment and maintenance support for aircraft ships and vehicles en route to the CENTCOM AOR.

Some of the major seaports used included Rota, Spain; Souda Bay, Greece; Burgas, Bulgaria; Livorno, Italy; Constanza, Romania; Mersin, Turkey; and Ashod, Israel. Some of the major airports include Tazar, Hungary; Wroclaw, Poland; Constanza, Romania; Tirana, Albania; Chisinau, Moldova; Aviano, Italy; Mahon, Spain; and Frankfurt, Germany.

The reason I emphasize this list is to make the clear case that despite the appearances of political discord on the subject of the war in Iraq, at the military level we were not impeded in any air-space, sea space, land space by any of our allies with the sole exception being the parliamentary vote in Turkey, which effectively prevented the Fourth Infantry Division from transiting Turkey. But even in the aftermath of that vote, EUCOM and CENTCOM working together with our Turkish colleagues managed to get agreements to have an impressive aerial troop deployment involving the 173rd Airborne Combat Team out of Vincenza, Italy and a 26-Marine Expeditionary Unit actually flew into Northern Iraq at a key moment during the war and contributed significantly to the early resolution of the operations on the ground.

EUCOM is pivotally involved in not only a transformation process of our own forces, the plans for which have been developed and submitted last year. We have done a tooth-to-tail analysis of our forces. We have made recommendations as to how the forces of the 21st century can not only be reduced, but become more strategically effective through a combination of permanent base forces, augmented by rotational forces from the United States. It may be of interest and perhaps no surprise to the members of the committee to know that today in Bosnia, for example, all of the U.S. forces

on the ground are forces belonging to National Guard units. They are not based in Germany or any other place in Europe.

So the metric of the future is not so much are the forces there and do they live there; it is where they come from and can they get there quickly in time to make a difference. So the forward-basing concept is still very, very important. As I mentioned, having access to all of these bases during our heavy deployments was critical, but it does not have to be in the same way that it was in the 20th century. Our new footprint should be more agile, more deployable and more expeditionary, and should be designed to achieve more strategic effect, not less than we have had in the past.

Finally, I would just like to say a word about the emphasis on rotational forces. The preponderance of work on transformation in the U.S. European Command and in NATO has to do with land-based forces, specifically U.S. Army forces and NATO army forces. In that context, in partnership with the Chief of Staff of the Army and General B.B. Bell, the commander of U.S. Army Europe, they have developed a very interesting and innovative plan by which if it is approved, we can actually make economies of scale savings in terms of returning forces to the United States, but also achieving greater strategic flexibility with the forces we have remaining augmented by rotational forces.

Mr. Chairman, the privilege of being able to work both in NATO and in the U.S. forces in Europe is unparalleled in my experience. This is a pivotal time. The future destiny of the effectiveness of NATO, particularly the military arm of NATO, is at stake. I am an optimist where the future is concerned with regard to the evolution of this alliance. It will take our support. It will take our sustenance. It will take our understanding as our allies seek to shape their forces to become more strategically effective. In expanding to the east by seven nations, the U.S. European Command is also trying to make sure that we stay more relevant and equally supportive of our commitments to the alliance during this very important time.

It is a great pleasure to be with you this morning, Mr. Chairman and members of the committee, and I look forward to responding to your questions.

[The prepared statement of General Jones can be found in the Appendix on page 823.]

The CHAIRMAN. Thank you very much, General. And thank you for a great round-the-theater description of all of the things that are taking place right now and the overall blueprint. That is excellent.

Before we go to General Hill, let me just say we have had a number of hearings in which we got a lot of members in the first row who have not had a chance to get their questions in, so it is my intent to yield my time to Mr. LoBiondo when we start questioning. I will take some questions at the end of the thing, so Mr. LoBiondo, you are going to be first up.

General Hill, thank you for your great service to our country. I know you have some weighty responsibilities, as well. The floor is yours, sir.

**STATEMENT OF GEN. JAMES T. HILL, USA, COMMANDER, U.S.
SOUTHERN COMMAND**

General HILL. Thank you. Mr. Chairman, Representative Skelton and distinguished members of the committee, I am honored for this opportunity to appear before you today to provide my assessment of Latin America and the Caribbean and what the United States Southern Command is doing to advance the United States's interests in this very important region of the world.

I am very appreciative for the support of the committee for the United States Southern Command, to our soldiers, sailors, airmen, Marines and Coast Guardsmen and civilian personnel who I am so privileged to command. They are fine men and women and they are serving our nation admirably.

The security picture in Latin America and the Caribbean has indeed grown more complex over the past year as events in Haiti, Bolivia, and Venezuela amply illustrate. Deep-seated frustrations over the failure of democratic and free-market reforms to improve the standard of living for all citizens are significantly challenging many of the region's governments.

This frustration is exacerbated by endemic corruption and by the insidious impact on society of the threats I addressed last year: narco-terrorism, urban gangs, and other illegally armed groups; arms and human trafficking; and support of international terrorism.

Unfortunately, as a consequence, some leaders in the region are tapping into this frustration to move radical agendas forward and are manipulating democratic processes to diminish, rather than to protect, individual rights. Our country's focused support is critical to ensuring that the strong democratic tides of the past 25 years do not reverse their flow, but instead are strengthened and reinforced. Haiti's breakdown of law and order and its rising violence led to the voluntary resignation and departure of former President Aristide, led to a constitutional transfer of power and the rapid deployment of the United Nations (UN)-mandated multinational interim force.

Currently in Haiti, the multinational force consists of 1,940 United States troops, 760 French, 492 Canadian and 332 Chileans deployed with the mission of setting the conditions for the follow-on deployment of U.N. force in June. We are preparing for that follow-on force by stabilizing the security environment in Haiti, containing migration and facilitating the provision of humanitarian assistance.

I was in Haiti yesterday, and the multinational force is performing extremely well in a difficult and complicated environment. The troops in Haiti are progressively reestablishing the security and stability necessary for the interim government to function. I am particularly pleased by the seamless cooperation among our multinational force allies. Thanks to the quick response and meaningful contributions of our government, along with those of Chile, France and Canada, our troops are working side by side with those other nations, bringing a new spirit of cooperation to the difficult task at hand.

Despite the very complex security situation in the region, much is going well. Although there remains work to be done, our coun-

try's significant investment in Plan Colombia is showing substantial results. The Colombian economy is growing. The Colombian government has reestablished a presence in all major municipalities. Major categories of criminal activity are down. Narcotics production is down. The mobilizations by the narco-terrorist organizations are increasing, as are desertions from their ranks.

The Colombian military has grown into a professional, competent force that respects human rights and the rule of law and has gained the strategic initiative over its narco-terrorist enemy. As a result of this substantial progress, a window of opportunity has opened in which the Colombian government has the potential to deal a decisive blow to the narco-terrorists. The Colombians have developed a campaign plan which takes them into the heartland of the territory controlled by the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN) and United Self-Defense Force of Colombia (AUC).

To provide the maximum amount of support to this effort, the Administration has recommended that the congressionally mandated cap of 400 military and 400 contractors be raised to 800 and 600 respectively. This increase will allow us to provide the Colombians the greatest possible assistance and maximize their potential for success. I have worked closely over the past year with President Uribe and the leaders of the Colombian military. I have visited all corners of Colombia and have seen first-hand the professionalism and increased capabilities of the Colombian military. I have been inspired by the dedication of the Colombian soldiers in their daily fight to defend their democracy against vicious narco-terrorists.

It is vitally important that we sustain Plan Colombia's progress. As one of the oldest democracies in the hemisphere, the key trading partner and supplier of oil, a staunch ally and only three hours from Miami, a stable secure Colombia is important to our national security interests.

In stark contrast to the situation 25 years ago, democracy is now the accepted model for government in this hemisphere. However, transnational threats, poverty and corruption and destabilizing governments are impeding the consolidation of democracy. The continued progress as a region of democracy and prosperity is fundamentally important to our national security.

With very few resources and a modest presence, the men and women of Southern Command are working to further that progress and to ensure our nation's security. We will remain steadfast in our efforts and look forward to your continued support.

Thank you again for this opportunity to appear before you today. I look forward to your questions.

[The prepared statement of General Hill can be found in the Appendix on page 796.]

The CHAIRMAN. Thank you very much, General Hill.

Gentlemen, thank you for giving us a bird's-eye view of two disparate regions of the world, but two regions which are similar in that they are central to America's security apparatus. Thank you.

The gentleman from New Jersey, Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman.

General Jones, General Hill, thank you for being here. General Hill, you talked a little bit about Haiti, but can you tell us, do we

have any expectation of how long our forces are going to be expected to be there?

General HILL. Congressman, the U.N. mandate that we are operating under today called for the interim force to be in Haiti for a period of 90 days. It is expected that within that 90 days, there will be a follow-on U.N. resolution calling for an additional multinational force to stay in Haiti for a longer period of time. I met yesterday with the U.N. Assessment Team Chairman who was in Haiti. We expect that that 90-day window can be met and the follow-on force, assuming that there is another resolution, hopefully can be in there in June.

Mr. LOBIONDO. General, is it your expectation that the follow-up resolution would deal with how the peacekeepers will be involved with setting up or monitoring free elections?

General HILL. Exactly. I spoke also with Prime Minister Latortue yesterday. He is the Interim Prime Minister. He will be establishing an Election Commission and they will begin to plan for free elections, which should take place in 2005.

Mr. LOBIONDO. A last question on Haiti, general. Do you expect that the peacekeepers will continue as part of their mission to disarm the various gangs and thugs that are intimidating people there?

General HILL. Yes, sir. Under the rules of engagement that we operate under today and under my instructions, and under Haitian law, because we are in support of an existing government and an existing police force, if we see guns on the street we disarm the person who has those guns unless he has a bona fide need for them as a legitimate security force with a permit. If we develop intelligence and we are trying to develop intelligence daily of the arms caches, we go after those caches.

I do it for two reasons. First and foremost, it is a force protection issue for my soldiers and sailors, airmen and Marines there. Second, because it helps to provide a secure environment for the follow-on force to come in.

Mr. LOBIONDO. Thank you, General.

General Jones, with the up-tick in violence in Kosovo, do you see us needing to change our plans for supporting and protecting our troops in the region?

General JONES. I think the assessment will be made over the next week or so. I have asked the commanders to get back to me as soon as possible with the answer to that question. My feeling is, though, that the current manning levels in Kosovo of 18,000 international troops, of which 1,800 are U.S., that we are in a good position from the standpoint of force protection. Despite the level of violence that spontaneously erupted last week, the U.S. forces were very able and capable of taking care of themselves. In fact, there were no fatalities in the force whatsoever.

Mr. LOBIONDO. General, could you comment on at what point you believe peacekeeping in Kosovo would be handed over to the European Union (EU)?

General JONES. Sir, that is a difficult question, mostly a political question. My military judgment on it is that the military mission is going to have to continue until the political discussions come to grips with the issue of the final status of Kosovo. It is a very, very

complicated issue, but I do not see Kosovo being anywhere near the progress that we are making in Bosnia, for example, by contrast. So I have been saying until the resurgence in violence that at the earliest military mission could be re-looked in 2005. I think that is probably called into question at this point. It might be even a little bit longer. It is still too early to tell on the aftermath, but I want to be very clear in saying that the military mission in Kosovo is exactly that. It is not ready to transition to a policing type of mission, which we are about to do with the EU in Stabilization Force in Bosnia and Herzegovina (SFOR). That is really the relationship and EU. As long as it is military, NATO will do the mission. Only when it is ready to go to more of a policing action will we transition to the EU and that is what we are doing in Bosnia.

Mr. LOBIONDO. Thank you, General.

Mr. Chairman, thank you very much.

The CHAIRMAN. I thank the gentleman.

The gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Mr. Chairman, I have a good number of questions, however I will limit myself to one question each. Then, if they have not been asked, I will come back at a later moment and ask them.

General Jones, in my opening statement I made reference to the importance of having NATO forces in Iraq. What, in your opinion, are the implications of the Prime Minister's defeat in the Spanish elections? In light of that, I see there is a news item from the International Herald Tribune that says that Zapatero, the incoming Prime Minister, is considering increasing the number of Spanish soldiers in Afghanistan. I ask you, what implication all of that election and all of the Spanish bombing has on the proposal in NATO?

General JONES. Mr. Skelton, as you know, the North Atlantic Council has not taken up officially the question of a NATO role in Iraq. That is a subject matter that is very much in the corridors of NATO, but it has certainly not reached the North Atlantic Council officially.

The impact of the Spanish elections, I think, will require that we evaluate things for a little bit longer period of time. It was an extremely emotional moment in Spain, the parallel of which would be in the aftermath of 9-11 in New York City in our own country—spontaneous, wide-ranging emotions. All of the political analysis that I think will come in time will only come after things settle down a little bit. There is a wide range of newspaper reporting on what Spain might do, might not do; what the new Prime Minister-designate has said, has not said.

For the moment, Spain is a very, very important member of the North Atlantic Treaty Organization, one of the more vibrant members, I might add; one of the more focused members. They have committed to taking over the command of the now-Polish-led multinational division in Iraq when that rotation becomes scheduled. So I think we will just have to wait and see how it plays out on an international basis and within the country itself as they absorb the information and the analysis and the post-tragedy number of arrests and come to grips with exactly how this happened, who did it, and what the implications for the future are.

With regard to Iraq and NATO, as I said, it is not an official mission. NATO was very proud to assist fellow NATO countries and

non-NATO countries who requested assistance through EUCOM to assist in their deployment. We have an ongoing relationship with the command in Iraq to make sure that, to the extent we can provide some assistance by way of logistics advice, courier flights and the like, that we are doing everything we can to stay abreast. We are obviously learning a lot of things as they go through this experience, in the event that NATO politically should come to the judgment in the future that it wished to do more on the ground in Iraq.

Mr. SKELTON. Thank you, sir.

General Hill, I think the United States Army has stretched and strained a great deal. Today, there are some 30,000 additional soldiers on duty by virtue of the national emergency resolution that Congress passed, and under the authority thereof. At this time, you are requesting an increase in the troop cap for Colombia. Would you address the necessity of this, in your opinion?

General HILL. Thank you, Congressman Skelton. As I said in my opening remarks, the success that the Colombian military and the Colombian government has had over the last year compels me to come in and ask for the cap increase. They have developed a national strategy and a military strategy for truly going after the illegal armed groups in ways that they have never done before.

They also have developed the capability to go after them in ways that they have not done before. We have been instrumental in helping them get to that level of competency. Today, I operate under a 400-person military troop cap. I manage that daily. I have people on my staff who watch every individual daily. We have to take people out sometimes so that I can go in, because I count under the troop cap when I go to visit.

We can add forces, planning assistance teams to assist the Colombians in ways that would greatly improve their ability to carry on the war. This window will be very fleeting and that is why I am coming to ask for the cap increase.

Mr. SKELTON. It seems that in light of the fact that they are becoming more professional, we could pass off more of our responsibility to them as they learn and become more professional. Am I not correct?

General HILL. Sir, the war must be won by the Colombians and the Colombian military. In my view, they are doing that. What we do is offer them planning assistance. We offer them greater ability to share intelligence and to then take actionable operations on that intelligence.

But you are exactly right. They are becoming more professional. They will continue to become more professional. We need to continue to aid them in that.

Mr. SKELTON. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Colorado, Mr. Hefley.

Mr. HEFLEY. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here. General Jones, the European Union is kind of pretending to be a United States of Europe, except it is not. It wants all the trappings of being a nation, which means it has a currency; it has a parliament; it has an enormous bureaucracy, and it wants a defense capability.

In light of the fact that most of these European countries are spending less on defense, not more, and we keep encouraging them to get up their defense spending. Many of these countries that are in NATO have difficulty when it comes time for your calling on them to deploy. How does the European defense capability affect NATO? How do you anticipate that that may affect NATO? I do not think any of us object to them having that capability, but I do object to it if it weakens NATO.

General JONES. Thank you, Mr. Hefley. This is a very interesting question, very topical question today in NATO as we get ready to take on the NATO-EU relationship, having had one small one in Macedonia. The transfer to the EU in Bosnia is much more ambitious and much more challenging.

My answer to similar questions on the other side of the Atlantic is essentially as follows. There can be no NATO transformation or EU transformation unless one of two things happens. At the minimum, nations need to maintain their percentage of gross domestic product (GDP) spending on national security issues at two percent or better. Across the length and breadth of the alliance, which is going to grow to 26 members this year, most nations are doing that. Some are not. We have to ask questions of those nations as to why they are not. The only other way to achieve transformation is to raise the defense budgets, and the prospect of that is generally unlikely. So the final conclusion is that while a European security initiative and identity is certainly something that has to be respected, the primary capability that will affect the collective interests on both sides of the Atlantic from a military standpoint is the North Atlantic Treaty Organization's. To the extent that nations wish to advocate a separate and distinct capability, they are probably going down the path of achieving neither a transformed NATO and certainly not a very effective European capability. I am hopeful that by the example of NATO transformation, and the really impressive improvements that have been made in the past year, that we can illustrate by action, particularly this here with the transfer from Bosnia to the EU, since most of the nations that belong in the EU are also NATO nations, the illogic of creating two separate standing organizations.

I believe that we are making some headway in that regard by making ourselves, for example, much more available to address European security defense initiatives at NATO and in the headquarters that I command at Supreme Headquarters Allied Powers in Europe, where we have EU officers embedded into the headquarters to make sure that we take into account European security defense initiatives, particularly focused on Bosnia, because this is the work at hand.

So I believe there is a way to do both, but I would strongly recommend not taking on two separate transformations and creating duplicate capabilities. The current budget caps, which are not increasing, and some in fact are decreasing, would be impossible to achieve.

Mr. HEFLEY. I think all of us believe in NATO expansion, but it seemed to me at the first of this movement for NATO expansion that we were very careful that the countries who came in brought something to the table that would help in the common defense alli-

ance that we had. It also seems to me that we have loosened up on that requirement a good deal with these latest nations that have come in. Maybe we are bringing them in for other reasons rather than their contribution to the common defense. Could you respond to that?

General JONES. Yes, sir. It is in a somewhat evolutionary context that new member nations, regardless of size, should be expected to make a contribution and will do so. But the contribution will not be in the same way as the more traditional part of the alliance. For example, the Czech Republic committed itself to establishing a state-of-the-art chemical, radiological, biological and nuclear response battalion that, really, the supply of which is not adequate in the alliance. They are a small nation, but have brought online a very important capability that adds very importantly to a significant shortfall.

Critical shortfalls in that area; critical shortfalls in command-control communications, critical shortfalls in special forces; end-items and capabilities that can in fact be found in very small nations. So the future of NATO is not to have members each with a standing army, navy, air force and, in some cases, marine corps, but to be able to ask nations who join the alliance believing in Article V, that an attack against one is an attack against all. Right now, they are in their own stage of the transformation by, for instance, taking away the huge manpower bill that is associated with border security, because the defense of NATO is assured by the alliance.

So in that way, small countries and large countries alike can make a proportional contribution according to the real needs of NATO, instead of NATO just sitting back and accepting whatever it is they have. I think that is a positive development.

The CHAIRMAN. I thank the gentleman.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

I want to thank both of you gentlemen for being here and for what you do and for what the folks that you command do for our nation.

General Hill, I, number one, want to tell you that you have a young captain in Ecuador by the name of Snead. And you are to find that kid and clone him, because I have never been as impressed with someone's knowledge of the country that he was in. I am talking about all the way from the back roads, the local police chief's name. He is exactly the kind of people we need to represent our country, and particularly in the Southern Command. I just wanted to pass that on. I have met a lot of outstanding people over the years and he is right up there at the top of the list.

General HILL. Thank you, Congressman. He is a fine, fine soldier.

Mr. TAYLOR. I was also impressed—and again I have followed Plan Colombia for a while—one of the things we did see was the increased governmental presence in Ecuador, right up on the Colombian border. They obviously recognized the potential there for lawlessness and the potential for the civil war to spread over. I think they are doing well.

Overall, I would agree with you. I think the Colombians are doing better. I think they are taking their own civil war—particularly the folks in the military are taking it seriously. The average foot soldier certainly takes it seriously. It continues to trouble me. I will give you the opportunity to address this. As you are asking for a further American increased role, we have already supplied them with Black Hawks. We are already giving them a lot of technology. Every time I ask a Colombian, what are you going to do, and they say, well, President Uribe is doing this; President Uribe is doing that. What are you going to do to make your draft law fairer? What are you going to do for a continued Colombian commitment to pay for this?

Our country has stepped forward with a lot of money for those folks. I could have done a lot of really nice things in the State of Mississippi for that \$2 billion we spent down there. I could have Mississippi looking like a palace for that kind of money. So my question to them is, they say, well, we had the one-time tax. That is correct. So as they simultaneously talk about a bigger American commitment, they say, well, we had a one-time tax. That is just it. The war is not over.

I would hope that you are simultaneously asking the Colombians to be willing to dig into their pockets on a continual basis, not one time, to do this; and by the way, adjust their draft laws so that kids who have high school diplomas are not exempt from the draft.

I go to the funerals. I know you go to the funerals of your troops. Quite frankly, I would have one heck of a time going to Soso, Mississippi and explaining to some mom or dad why their kid from Soso died down in Colombia, while some Colombian who had only a high school diploma did not even have to serve. And by the way, they are having a little trouble making the note on their house trailer, that their tax dollars are going to pay for a conflict in Colombia that the Colombians are not willing to pay for but one time.

I do go to Latin America a lot. I know the difference between Nicaragua, which is a poor country, and El Salvador, which is a poor country, and Colombia, which is a wealthy country. Bogota is a beautiful city. If those people care enough about the future of Bogota, they ought to be willing to dig into their pockets and they ought to be asking their kids to serve.

Everything else you said, I think you are right on-line. They are doing better. But the second point of my follow-up to Congressman Skelton is, if they are doing better under the existing plan, then at some point they ought to be able to step up and do that job themselves. If we need to tweak the troop cap a little bit, I understand, but we have put a heck of a lot of exemptions in there for transitory people and for search-and-rescue missions.

Again, I do not mind helping anybody, but I have a lot of trouble helping people who are not doing enough to help themselves. I think the Colombian government falls into that category, not the military, but their government. I will give you a chance to prove me wrong.

General HILL. Congressman, I believe that the citizens of Mississippi are in fact getting a great deal of their taxpayers's dollars for what the Congress has appropriated to Plan Colombia. You did Plan Colombia for a six-year time frame. We are four years into

Plan Colombia. I believe that the investment that the Congress has put into Plan Colombia is beginning to pay huge dividends.

What Colombia's war is about is the preservation of democracy in a region that is vitally important to the United States. If that entire region—if Colombia were to be lost and democracy not to continue to flourish in the second-oldest democracy in the hemisphere, it would destabilize the region in a way that would be profoundly important to the United States.

Mr. TAYLOR. General, if I may, you have made that point and I accept that point. What you have not addressed is, why aren't they willing to pay for it themselves? Why aren't they willing to address their draft laws to make them fairer? Congressman Skelton, who questions this policy, has two kids in uniform right now. He has sent his children to the Gulf; he has sent his children to Bosnia. I would like to see that kind of commitment on the part of the Colombians. Congressman Hunter has a son in uniform. I believe one of them is over in the desert right now.

Again, I see the Colombian military sending their kids into the military. I do not see the Colombian politicians sending their kids.

General HILL. Sir, over the two years of President Uribe, you are correct. He did raise a one-time war tax and they raised more money than he asked for. As a percentage of GDP, tax collection in 2003 rose from 16 percent to 19 percent. The Colombian administration is trying to work through their congress reforms in terms of political reforms, social reforms, tax reforms, all of those things to get Colombia to where you are saying they need to be.

Mr. TAYLOR. And they all failed, General. They all failed in the referendum.

General HILL. They did fail in the referendum. That is exactly correct, but only because they did not get the necessary 25 percent vote out in total numbers. Each one of those referendums, by the people that voted, they would have passed had they had the full six million people cast their votes. There are a lot of complicated reasons for that, which I do not think we need to go into.

I believe that the Colombian people are committed to winning their war. I believe that the Colombian government is committed to raising the revenue to do that. They are raising 30,000 more people into the military. They are—in fact, the law that you talk about with the high school graduate is effectively nonexistent in the military today. It is still on the books. I will grant you that. But in point of fact, there are very few people existing in the military under that law, not going off to combat duty.

Mr. TAYLOR. General, again for the folks who I am boring with this, the distinction is originally someone with a high school diploma was guaranteed urban duty. They were going to put on a shiny helmet; they were going to wear a pair of spats, and they were going to walk around Bogota, and the chances of them getting shot were pretty small. We tried to change that to make it fairer so there was a draft for everyone. The Colombians very cleverly said, okay, we will do away with the urban duty. They did not change the law to see to it that everyone was eligible for the draft. Again, until they do that, they are not going to prove to this Member of Congress that they are serious about this.

General HILL. We have had this discussion before. The Colombian government is attempting to work that through congress to change that law. The bottom line is, the law does not affect anybody because the military has effectively not engaged in that law. Where there used to be 10,000 or 12,000 people affected by it in the Colombian military, there are about 1,000 today affected by it. So by virtue of the Colombian military actions, that law is effectively not there today. I grant you it is on the books.

Mr. TAYLOR. Thank you, Mr. Chairman.

Again, I thank both of you gentleman. Our frustration is not with you—

General HILL. I got it, sir.

Mr. TAYLOR [continuing]. But with the folks you are dealing with down in Bogota.

The CHAIRMAN I thank the gentleman.

The distinguished gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Thank you.

General Hill, each day when we watch the news reports come in on our activities around the world, much attention is focused, and it should be, on the Middle East and Iraq and Afghanistan, et cetera. Haiti is another area where we have a major deployment. I am wondering if you can give us some idea. I know you mentioned this a little bit in your statement, but can you give us a little more idea about how our forces are doing there; how the mission is going; and how the citizens of Haiti are doing, also?

General HILL. Thank you, Mr. Saxton. I would be happy to. In the last two weeks, I have been in Haiti twice; spent two full days there. I was there all day yesterday. I went into Haiti the third day after we began the troop deployment. The Port-au-Prince that I found was very different than the one I saw in 1994 when I left the first time in Haiti. You could see the effects of the looting and the rioting that had taken place. There was not a lot of commerce on the street. There was in fact a very unstable environment.

The Haiti I left yesterday is very similar to the Haiti I left in 1994: traffic snarls, the schools are back open. You can see all the school children in their uniforms going back and forth to schools. Commerce is up. In fact it is a much more stable environment. I believe it got that way because of the quick actions of our government and the governments of France, Canada and Chile.

We were able to put U.S. Marines into Port-au-Prince within 12 hours of the time that Mr. Aristide departed voluntarily from Haiti, very quickly followed by a French force within 24 hours. We were able to then defuse a real problem from becoming a crisis. We have been able to build upon that. We have since, and just this last week we moved French forces up to Cap Haitien, and are going to ease out of the Port-au-Prince area. I have Special Forces people making assessments of the environment throughout the southern claw of Haiti. The forces are doing quite well. The mission that we were sent in there to do, which was to provide a stable and secure environment for a follow-on U.N. force, in my view, is being met. That is also the assessment of the U.N. Assessment Team that was in there yesterday.

Mr. SAXTON. Thank you.

General Jones, not long ago I had an opportunity to visit with military folks in the United Kingdom (UK). They were very concerned about the flow of the illegal narcotics out of Afghanistan. They suggested that we ought to do more. But then I learned that the market for illegal drugs out of Afghanistan is essentially Europe. I was just wondering about your thoughts on this issue since you are there and you deal with these folks. I know they are concerned about it, but they seem hesitant to step up to the plate.

General JONES. Sir, you are absolutely right. Narcotics are a huge problem in Afghanistan. President Karzai recognizes that. In the two or three meetings I have had and my visits to Kabul, he has always brought that up without me having to say it. Some estimates calculate that the crop that was cultivated last year accounted for almost 50 percent of the country's GDP. It currently is being addressed by the U.S.-led coalition. I believe the U.S. and the UK are the two countries that are working on finding a resolution to this problem.

Within the NATO mission in Afghanistan, that is specifically not addressed at present, but it is something that is being discussed in the corridors of Brussels. My own personal view is that ultimately any final resolution in Afghanistan will have to address that particular problem. You are absolutely correct in that the majority of the market from which these drugs flow is headed toward Europe. To be fair, I think it probably makes it way across the Atlantic, as well. It is one of the reasons why Operation Active Endeavor in the Mediterranean, the naval operation which has been so successful for a year, is really making life difficult for volume shipments through that body of water.

My personal view is that regardless of who does it, we have to have a comprehensive solution in Afghanistan to that very, very important problem. Not only do the drugs flow to Europe, but the money from those drugs also flows to warlords and subversive activities, insurgencies and the like, and is part and parcel of the criminality that exists in that country, that it has to be addressed.

Mr. SAXTON. Thank you.

The CHAIRMAN. I thank the gentleman.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman, and thank you both for being here today. We appreciate your many years of service.

General Jones, I wanted to read part of your written statement. In fact, it is the last paragraph. "As we undertake the necessary steps to transform the theater, we must be mindful of our leadership role in global affairs and cognizant of its responsibilities. Leadership and influence cannot be achieved from our distant shores alone. They must be forged through close and personal relationships, shared experiences, presence and tangible support to time-honored commitments. Our nation earned the respect of the entire world when we stood side by side with our friends and allies in Europe for nearly a half-century. As our interests expand, we should not abandon the character of a strategy that cultivated so much goodwill, resulting ultimately in a historic victory. Our expanding alliance openly seeks both our leadership and our commitment. EUCOM's true value to our nation is the uncompromising leadership we provide and the indispensable influence that can

only be attained by our presence. This is also our best chance for success in fighting the Global War on Terrorism and in bringing about a more peaceful and more prosperous world."

I showed that to one of my colleagues today at another meeting. I did not tell her who had written it, and she said, "That is beautiful." I said it was written by one of our military officers, and of course she knew who you were. I think that any decisionmaking process that is governed by those principles is going to do well.

Of course, we have also had some recent experience in Arkansas with retired NATO commanders being Presidential candidates. You could probably take some of these lines and make a great State of the Union address, General Jones, if you are ever looking for another job. [Laughter.]

General Hill, you mentioned the troop caps in both your comments here, but in your written statement in terms of the numbers. In your written statement, you also specifically referenced, it is not just the numbers, but it is what is counted. I have heard—maybe this is urban myth or something, that you have situations where if a plane lands, if you can keep the guys in the plane, they do not count, but if they step off the tarmac they do count. Is that accurate? Expand on that, if you would, General Hill, about the issue, not just the numbers, but what is counted in the numbers.

General HILL. I would be happy to do that. We have both on the military and the civilian side in Colombia been very careful in that we have obeyed not only the law, but the intent of the Congress in the counting of who went against that troop cap. The example is that if you fly an aircraft over Colombia, the ground crew back in another place counts against the cap, the full crew component.

Up until about a month ago, the three hostages that have been kidnapped and held by the FARC have been counting against the civilian cap, because we wanted to ensure that we never came to this committee or to the Senate committee, or into the Congress, and said that we were not absolutely 100 percent fulfilling your commitment.

A year ago when I testified, I said I could live under the 400 cap, but as we have increased our ability to support the Colombians, and they have increased their need to have that support and shown that they have the forces that can be trained and can be assisted, and to carry out and to win their war, that it has been increasingly difficult to manage my force underneath the cap.

Dr. SNYDER. General Jones, one of your predecessors—I believe it must have been 6 or 7 years ago, I had worked as a doctor in Sierra Leone for 6 months 20 years ago or so, so I have had an interest in that country. We got to talking about opportunities for port-of-calls and that kind of thing in West Africa. He really expressed frustration with resources available to do the kinds of contacts, and taking from your statement there about presence and developing relationships and friendships and keeping commitments.

Obviously, our defense budget is substantially bigger than it was some years ago. Have there been adequate resources? Do you have adequate resources, do you believe, to do the kinds of contact and relationship building with countries that are in Africa that may not be in the newspaper every day?

General JONES. Mr. Snyder, we have focused much more extensively on what is going on in this vast continent. In the year that I have been the Commander, I have asked my Deputy Commander, General Wald, to be the flashlight, if you would, on this effort. What we see going on in Africa from a security standpoint is migration of radical fundamentalism, basic banditry and terrorism, all because we are being successful, in my view, elsewhere in the globe. Africa, with its huge spaces, with many countries that really have no visible hope for much advancement in the future, crippling social and economic problems of staggering proportions, has become a very attractive safe haven for the emergence of this kind of theology and philosophy, which essentially convinces people that their problems would be resolved if they became more radical in their feelings and directed their hatred toward the countries that have free and secure societies, and exploit—their words not mine—but exploit the oppressed people of the disadvantaged areas of the world.

Africa represents to many people just such a situation. I have just recently come back from a trip to Africa. I went to nations in the north, in the central area, and in south Africa. I came back profoundly interested in continuing to study this interesting phenomenon. The first thing that struck me was the enormity of the continent. The second thing that struck me was the enormous natural resources that it has. The third thing was looking at the span from 1983 to 2003, despite all of the problems, that there are some fragile democracies that are actually taking root and in my view deserve focused attention to make sure they succeed.

It is not scripted one way or the other as to what is going to happen, but I came back with a belief that it would be a good thing for a coalition, not an alliance, but a coalition for sure of countries who are concerned about Africa to be able to help the Africans help themselves. There are certain projects that are underway that are making a big difference, the Economic Community of West African States (ECOWAS) organization, which is providing more security for Liberia, the U.N. mission there. I visited with President Mbeki in South Africa, and he is interested in exploring the possibility of four or five of the major states in Africa getting together and forming multinational brigades located in different parts of the continent that could respond to humanitarian disasters.

So I think there are a lot of things that can be done. What is lacking, I think, from a national perspective, is the presence of American industry on a scale that one would like to see, given the fact that there are struggling democracies that are worthy of our help; the proximity of Africa to our markets, the benefits that could come with more industrial, more economic investment. There is a willing labor force, for example. All of this could be certainly underwritten by a more secure environment.

There is a sense, I think, that when something bad happens in Africa, that everybody thinks, well, all of Africa is having difficulties. That is not the case, as you know. But I think that the only way to halt the trends that we see going on with the migration of radical fundamentalism, for example, terrorism and the like, is to give people some alternative. The alternative is not just military dictatorship and oppression. The alternative is education, jobs and

market developments. This is where, if we turn our focus at least in those areas that warrant it, I think we can make dramatic changes in a short period of time.

In Europe, there is currently considerable discussion going on among ten nations or so as to how best to do this, but how to do it collectively, instead of individually. Our policy is very reactive. Our international policy right now is very active. The Belgians will get focused on the Congo; the U.S. will get focused in Liberia, but it is only in reaction to something bad that has either happened or about to happen. We can do a lot better by coordinating our efforts, and maybe for instance in a region like the Pan-Sahel, going into those five or six nations and collectively raising all boats on the security level to a capability where they can actually assure the integrity of their borders.

We have had a very good success in the last few weeks against a terrorist organization called the Sabfist Group for Reaching and Combat (GSPC). The United States provided assistance to about four or five different African countries, coordinated the distribution of a site picture of what this very militant terrorist group was doing and in what countries, as it was freely going around from one country to the other without any opposition until finally two countries came together and coordinated a military strike that essentially dealt a near-death blow, if not a death-blow, to the GSPC somewhere just across the border from Niger and into Chad.

Again, this is the kind of thing that I think we can do. The African nations that I have dealt with want to help. They want to be able to do things. They want the capability. I think we can either help them do it or we can one day have to do it ourselves, because it is not going to go away.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The distinguished gentleman from South Carolina, Mr. Jones.

Mr. JONES. Mr. Chairman, that is the first mistake I have ever heard you make. It is North Carolina, thank you. [Laughter.]

Thank you, Mr. Chairman.

I want to thank both General Jones and General Hill for being here today. General Hill, I have Camp Lejeune and Cherry Point, the Seymour Johnson Air Force Base in my district. I know that many of those fine Marines from Camp Lejeune are under your command. I am delighted to have an opportunity to ask a couple of questions of you in just a moment.

General Jones, it is always a pleasure to see you, sir, and thank you for your leadership to our great Nation, as well as General Hill. If I was not a southern gentleman, I probably would blindside you and tell you that last week we held a hearing, thanks to the Chairman. I and my colleagues on both sides of the aisle were in attendance to see if it was feasible to rename the Secretary of the Navy to be Navy and Marine Corps. If I was a real politician, I would probably for the record ask you a question, but I am not that type of person, so I am not going to ask you the question that I would like to ask you. So I hope that you would appreciate that, and maybe at a later time I could have a private conversation with you, sir.

The CHAIRMAN. You may want to answer that non-question after a while, General. [Laughter.]

Mr. JONES. I would say that the hearing was very positive. General Mundy testified; Admiral Stansfield Turner, and Under Secretary of the Navy Dan Howard testified. I think we have some momentum building from that testimony, sir.

General Hill, I want to ask you—I have not really had a chance to go through your prepared remarks, as well as General Jones's, like I would like to, but I have a real passion and concern for Central and South America. I do not have the knowledge that I hope one day to have on those issues that are facing the countries, as well as the United States. But because it is in our hemisphere, I do have a real concern.

My two or three questions are—I know that you have been in this Command for about a year, maybe a little bit longer, but I am very interested in Panama, quite frankly, because of the canal and because of the location of that country in Central America. At one time, I believe from some hearings we had a year or two ago, there was a concern about the narco-terrorists going into the rural areas of Panama and having some success with influencing the rural areas of Panama. Can you speak to that, as to not two years ago, but where we are today as far as the infiltration by the narco-terrorists into those rural areas of Panama?

General HILL. Yes, sir. What you are referring to is the Darien Province up on the Colombia border. As with all other nations that surround Colombia, there is a narco-terrorist presence along those borders. They are all porous. All of the nations except one is dealing with it fairly aggressively. Mr. Taylor mentioned going to Ecuador; Ecuador and Peru, Brazil, and even Panama, with its small military land defense force, works that areas. But in point of fact, it is a fairly open border up there.

Mr. JONES. Can you tell me the land defense force, how many people we are talking about, roughly?

General HILL. Sir, I need to give you an answer for that. I cannot give you the straight-up answer on the Panama thing. But if I could just answer a different piece on Panama?

Mr. JONES. Yes, sir.

General HILL. In terms of what the Panamanians are doing in support of the canal, the canal works just fine. It is very healthy and continuing to provide a service to the world, which brings me to my point. The canal is the world's canal. It is in Panama and clearly the Panamanians run it, but they run it for the world. There is a growing understanding that the defense of the canal is a worldwide issue. The Chileans, for example—last year we conducted an exercise with the Chilean navy and the Panamanian naval forces in a counterterrorism exercise to defend the Pacific approaches to the canal. In that exercise, we are looking to expand this year to assist the Panamanians in defense of that canal.

Mr. JONES. Let me ask you just a couple more questions. General Hill, the size of the Panamanian navy, and you might have to get back with me—let me explain. I have never taken many trips, but I did take one when Chairman Spence was the Chairman of the Armed Services Committee, down to Panama. I was intrigued. In fact, I had a chance to speak to the Marines that were leaving.

This is how long ago it was. My point was that they had just recently had an election. I forgot the lady's name. I do not have it written down, but she became the president at that time. I had an opportunity to meet with the leadership; not with the president or premier, whatever the title was, but with some of her staff. I found it very intriguing and very interesting because, again, I know that there are many other countries in Central and South America, but because of the Panama Canal is why I have this interest.

Do you know if they have been, in the last couple of years, able to increase the numbers as it relates to their land security force or their navy?

General HILL. They are making an effort to improve the professionalization of their force. Their naval forces are nothing but small boats, because what they do is they can patrol the canal and the approaches into the canal. When we overthrew Mr. Noriega, they have substantially decreased their military forces because they do not want to have a dictatorship take over again. But they are in fact professionalizing their force. We have gone back into the United States and run exercises with the Panamanians. We did a New Horizons exercise there last year and we will do another one this year. We are working with them to assist them in the defense of the canal.

Mr. JONES. The last question, Mr. Chairman. Are you seeing, or can you say in this public setting, a large increase of terrorist groups from the Middle East trying to infiltrate into South and Central America?

General HILL. Sir, there has been a longstanding Middle Eastern-Islamic community throughout Latin America, particularly in the tri-border area of Paraguay, Argentina and Brazil; Marguerite Island off Venezuela and a few others. They are, for the most part, honest business people, but they do in fact have today radical Islamic groups inside those communities engaged in all forms of illegal activities, funneling money back to Hamas, Hezbollah, and other radical Islamic groups. They do provide a cover under which any of those illegal groups could, in fact, come underneath it, and we are seeing that. We watch it very carefully.

Anecdotally, I met a man in New York City last week when I was up for the Council on Foreign Relations, and he said he had had a house on Marguerite Island for years, 20 or 30 years. He was describing the Middle Eastern community. He said he was beginning to see a much younger face on those Middle Easterners. He was beginning to wonder about that. So we watch that pretty carefully.

Mr. JONES. General, thank you very much.

General Jones, I hope this will be the year that we see the Secretary of the Navy become Secretary of the Navy and Marine Corps because the Marine Corps is the fourth service, which has been designated by the Congresses of the past and they need to have the coach of their team to carry the name Navy and Marine Corps.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Washington, Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Generals, thank you for being here today. Just a couple of quick questions. General Jones, in Europe, and I am not sure if this is directly your area, but in the response to terrorism, certainly since 9-11, Europe has been in the middle of that and had a good many successes right after 9-11 in terms of rounding up people with al Qaeda links and thwarting terrorist attacks. I am just wondering what role your Command plays in any sort of coordinated effort in Europe? If you can give us some insight on what the level of cooperation is between the U.S. and the Europeans in trying to respond.

Obviously, there are some differences of opinion in terms of how we approach the war on terrorism. What impact is that having on our ability to deal with it in Europe, which as Spain demonstrated, but was obvious long before, is a clear target and someplace we need a level of cooperation? If you could just give us some perspective on that.

General JONES. Sir, the role is a very important one. The U.S. has invested quite a bit of infrastructure in Europe to link up our global communications system and intelligence gathering system. We are involved in very close contact with our European allies on a bilateral basis under the auspices of the United States European Command. We have expanded that envelope, if you will, beyond the traditional allies that we routinely think about. We have expanded it, as I illustrated a few minutes ago, to include some North African countries and countries in the Pan-Sahel region.

We think that this is an important thing to do for the future, because our future successes in terms of fighting the Global War on Terrorism is going to be enhanced to the extent that we are able to fuse actionable intelligence in such a way that we have a broader group that has access to the information in real time so they can act upon it.

European nations have arrested over 9,000 people in connection with terrorism since 9-11. They are extremely active in the defense of their borders. There is a huge problem with regard to illegal immigration toward Western Europe. As you might imagine, the disintegration of the borders in the member states of the European Union has actually complicated the problem because people can flow rapidly across from one nation to the other. But we are involved very, very closely with our friends and allies in making sure that we have an exchange of information in a way that makes it extremely effective.

I might go back to the example I gave of Operation Active Endeavor in the Mediterranean and Task Force Straits of Gibraltar, which are two separate naval operations, one in the east and one in the west, and then in the Mediterranean, that have been ongoing now for almost a year. This has resulted in a very, very efficient way of sharing intelligence around the Mediterranean rim from the time a ship goes through the Suez Canal or comes through the Straits of Gibraltar. If there is any hint of suspicious cargo, those ships can be requested to be voluntarily boarded. There are even some other arrangements by which they can be involuntarily boarded to make sure about contraband and illegal shipments. For example, human trafficking as a result of this oper-

ation has gone down almost 50 percent in the Western Mediterranean in 1 year.

These are some examples of the fruits of intelligence-sharing and close cooperation with our friends and allies. I might just say that this is something we need to migrate more effectively into the North Atlantic Treaty Organization. If there is one thing that is lacking, that is to fuse the NATO intelligence piece, since a lot of the intelligence activities are done by nations. This is an idea that is on the table right now.

Mr. SMITH. One specific question about that—this may not be your area, but specifically with regard to Spain and the dangers of their response to the terrorist attack being to pull out of Iraq. Perhaps it is a more diplomatic area, but it struck me right after the attack and right after the election certainly, that it would be worthwhile for some very high-level person here in the U.S. to go to Spain and say, look, I know this was your position before any of this happened, and I understand that you are not just reacting to it, but the perception this will send is devastating. Stick it out for a little while longer; respect the impact this has; change that position.

Do you have a feel? Does it dawn on the new Spanish government that whatever they may have been saying for the months before the election, given the terrorist attack, their position is extremely problematic for Spain's safety as well as everybody else's? Is there any possibility they might re-think that in light of that reality?

General JONES. Sir, I think that in the aftermath of the elections there is going to be a period of time where people are going to do a more detached assessment. This was a very, very emotional response, as I said, on the scales of our own devastating attack of 9–11. Within the European Community, there will be focused discussions with Spain as to the implications of what it is they might or might not be doing. For now, they are a very active and important contribution to NATO operations, and we certainly hope that no nation inadvertently contributes to encouraging terrorists by virtue of a political decision and will work their way through to making sure that that is not the message that is intended to be sent.

Mr. SMITH. We definitely need to get that message to Spain.

A quick question for General Hill. First of all, welcome. I really enjoyed your time as Commander at Fort Lewis in my district. You did a terrific job and I am pleased to see you are moving up in the world, as it were. I just had a quick question about Haiti and Venezuela. We are trying to promote democracy in the region. Obviously, that is one of our core principles. As you noted in your opening remarks, it has been a tremendous transformation from 25 years ago to the assumption that there will be democracy in Latin America.

We struggle with that, with President Aristide and now with President Chavez in Venezuela, in the sense that here we had two democratically elected leaders who were not behaving very democratically in their position, and certainly did not seem to have the support of their people. I think you would agree if Aristide was still in charge in Haiti, we would have a much more deadly, dangerous situation.

How do we go about—and specifically with regard to Venezuela since that situation is still active—how do you deal with a democratic leader who has so utterly lost control of his country, the faith of his people, and in some cases is not behaving in a free and open way even as a democratic—elected leader. What is the advice as policymakers? Obviously, we cannot go out there and say, get rid of this guy, if people just elected him. On the other hand, supporting him can be problematic, as well. How do we walk that line, as someone who has had to deal with it in a couple of high-profile situations?

General HILL. The situation in Venezuela is a very complicated situation. We have encouraged through our government in relations with Mr. Chavez to respect his constitution, to continue to work through the political reforms, and those discussions go on with him on a daily basis.

From my perspective, what we have done with Venezuela is continue our mil-to-mil relationships with the Venezuelans at about the Colonel-level and below. We have been very careful in how we have managed our General officer relationships with them for two reasons: one, to ensure that we do not encourage Mr. Chavez's seeming move to greater authoritarianism; and certainly that we do not seemingly invite a coup. It is a very delicate situation.

Mr. SMITH. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman.

General Jones, I would like to get back to Africa for a moment. You mentioned EUCOM's initiative there in the Pan-Sahel area. What are our numbers of troops and resources that we presently have committed in that area? And in the future, will there be additional troops and resources?

General JONES. Thank you, sir. The American footprint in Africa is generally quite small. We have a number of teams. They are usually Special Forces teams that are out in various countries, that are helping nations develop their basic infantry skills, patrolling capabilities and the like. So it is a very, very small-scale footprint, but yielding, I think, very high results.

I think part of the transformation that we are proposing for the U.S. European Command is to be able to have more strategic effect through a rebalancing of the force and greater access to the wider expanded area that defines the European Command in 91 countries. Helping nations help themselves has always been the hallmark of American success. Although this is a very modest beginning, we are finding that by bringing to bear those things that only we can provide—for instance, intelligence capabilities and small units that can go out and lend helping hands to train host nation forces—we get a tremendous return on that investment.

I will get to you the specifics in terms of the numbers. It is in the hundreds, not any higher than that.

Mr. CALVERT. The reason I asked is that obviously there are terrorist groups that are looking for a base of operation, and that region of the world seems an obvious choice for some. I guess my question, to begin with, is do you believe we will stay in this as

a supporting activity? Do you think this could have the potential to become another major front in the war on terror?

General JONES. I think that Africa, in some respects like South America, is still problematic as to whether the roots of democracy are going to survive in certain countries. General Hill and I have talked about this several times in respect to our missions, that we feel very strongly. I do not want to speak for General Hill, but I believe we share a common view that the more we do now at the small end of things, the less we will have to do in the future.

So I think that a more proactive engagement strategy—but not just talking about terrorism. This is certainly something that we want to fight, but the causes that allow organizations like radical fundamentalists and the like to take foothold. There are causes problem down in the future where we will have to act, by acting now proactively and by doing those things that reach out in a broader context of beyond security.

What happens if you secure an area? What is going to change in the society? Are there investments that are going to come in? Are there companies that are willing to help make a difference and build factories and capitalize on a labor market that frankly is just sitting around watching whatever is going to happen.

So I am really excited about the kind of work we are doing. I think it is an initial step. I think for a very small investment, comparatively speaking, we could save ourselves from much greater investments in the future. That is really what I am trying to get across.

Mr. CALVERT. Thank you, General.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Texas, Mr. Rodriguez.

Mr. RODRIGUEZ. Thank you, Mr. Chairman.

Thank you, General Hill and General Jones. I know, General Hill, you mentioned the fact that surrounding Colombia, a lot of those countries now have drug-related situations. I recall distinctly talking about this issue six or seven years ago when we started under the Clinton administration. As we went into Colombia we were going to squeeze the balloon and it was going to spread to the other areas. It definitely has.

The only thing that concerns me is, I know we fought in Central America and South America for three decades in the 1950's, 1960's and 1970's about fighting communism. Then it became about fighting the drug kingpins and drug dealers. Now it is about terrorists. At some point in time, at least I felt that you were going to be successful in terms of putting the squeeze, but we also knew that it was going to spread to the other countries. I know my fellow colleagues started bringing up Panama and some of those issues.

That really bothers me if at some point we do not come to grips with that. I do not know if we are asking the wrong group, because I know we need to do some work in other areas down there. It seems like the only thing we do is engage in military activities, instead of other efforts on education, on infrastructure development; on health and other positive things that we shy away from.

So I wanted to just kind of get some feedback. At what point are we going to make some gains, now that we are not talking about drug dealers. Now we are talking about terrorists.

Secondly, you also mentioned the cap on troops. Do you feel that we ought to really increase the number of troops that we have now? I really have some concerns about the utilization of Reservists, the way we have been using them. I wanted to get your feedback on those two issues.

General HILL. Okay, Mr. Rodriguez. Thank you very much.

First off, on the squeezing the balloon, which is the phrase, we have made some substantial gains. The President's Office of National Drug Control Policy (ONDCP) announced just yesterday about coca cultivation being down 23 percent in Colombia last year. This is a large number, and 18 percent overall in the region. As I have traveled around the region, I have talked with each one of the military and the leadership of all these countries, minus Venezuela, about ensuring that they work their border issues with Colombia to inhibit arms and other illegal activities, and coca going back and forth.

Mr. Taylor mentioned earlier about being in Ecuador. The Ecuadorians have really stepped up to the plate, as have the Peruvians, the Brazilians and the Panamanians. So I think that each one of those countries, working regionally, are trying to inhibit narco-terrorism from destabilizing the entire region. I have been very pleased with that effort.

Mr. RODRIGUEZ. Before you go to the cap, you mentioned the exception of Venezuela. Why?

General HILL. The Venezuelan border is particularly porous. They do not work as effectively with the Colombians in controlling that border. I cannot answer the reason why.

Mr. RODRIGUEZ. Have you been ordered not to go in? Have you been ordered not to communicate with them? Is there any reason why we are not working with them?

General HILL. No, sir. We work with the Venezuelans on a military-to-military relationship. We still do that, and we encourage them, as do the Colombians, to work better along their border. The Colombians have discussions all the time with them, at the Presidential level and below.

Mr. RODRIGUEZ. Is there any reason why the military has no contact directly with Venezuela?

General HILL. Sir, we do have contacts with the Venezuelans. I have a mil group that is located in Venezuela. We have had people out on that border looking at it. We have been encouraging the Venezuelans to do that.

Mr. RODRIGUEZ. Okay, thank you. Go ahead on the cap.

General HILL. On the cap issue, the cap issue is one in which, as you look at the cap, and it goes back to Mr. Skelton's question earlier about the military being stretched and operations tempo (OPTEMPO) and personnel tempo (PERSTEMPO) being high in the military, particularly the Army and the reserve component that you talked about. As I look at the cap, we are not talking about 800 folks going into Colombia tomorrow afternoon and 800 being there all the time. It is a number that ebbs and flows, depending upon the training mission and depending on those operations that

are going on in Colombia. There are, in fact, some reservists and some active component folks doing those operations.

Mr. RODRIGUEZ. Have you discussed in terms of the need for additional troops?

General HILL. With the Colombians's larger-scale operations and more units in the fight, there is an opportunity for us to provide planning and assistance teams to them; greater intelligence-sharing; an ability to influence their war in a way that we have not had in the past. That is why I have asked that I be allowed to assist them with more people, more training opportunities, more assistance opportunities, so that they can win their war.

Mr. RODRIGUEZ. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

Thank you very much, gentlemen, for being here.

I was looking at the map. I think it looks like the European Command put here, and it occurs to me that we ought to be extremely grateful for your presence here, because you and the troops that work for you are influencing a huge part of the world. I think that we often forget that sometimes the best people-to-people contacts between Americans and folks around the world come from the troops that work for you. So I am very grateful that you are here.

Of course, General Jones, since I spent most of my life wearing a Marine Corps uniform, I just have to tell you that I am absolutely delighted to see the Commander of European Command wearing the uniform, and nobody I believe better than you can wear it. I am just delighted that you are the Commander, sir.

I have a lot of questions for you, General Jones, but I want to close a loop if I could for just a minute with General Hill on some questions that have been asked here by my colleagues concerning the increase in perhaps Islamic fundamentalists that may be apparent in South America; some of the issues that we have talked about with narco-terrorism; and the funneling of funds to terrorism and so forth. I appreciate very much your answers to those questions.

I have a broader question, if I could. I was looking at your statement. You were expressing some concern about some changes in South America and in Central America; some of the new and arguably fragile democracies that may be in some trouble. We talked a bit about Venezuela, Bolivia, and I think we have been watching elections, for example, in El Salvador recently. I wonder if you could just give me an assessment, to the extent that you feel you can, about the state of those democracies. Are we fundamentally—I guess I am asking whether we are gaining or losing?

General HILL. Gaining and losing is a very difficult question region-wide. General Jones' comments a few moments ago discussing Africa, and how you continue to support democracy so that the business can come in and flourish, were very well taken. Latin America is vitally important to the United States in terms of our culture, the economy, oil. We get more oil from Latin America than we do from the Middle East; 49 cents of every dollar spent in Latin America is a U.S.-purchased good.

This is important to our country. It is important that democracy flourish. Throughout the region, there are strains on democracy as democracy tries to take root. If you said to me today, what is the greatest threat to Latin America democracy, I would tell you that it would be poverty and the inability of those countries to raise up their populace to a greater degree; to have more resources; and then to have the ability for U.S. and other industry to come in and bolster those economies. They have to raise up to that. Before they can do that, there must be security and stability inside their country. That is my concern with Colombia. If Colombia is to flourish, and it is a dynamic population with a huge potential for economic growth, and that growth is moving along at a very good rate today. In order for democracy to continue to flourish; in order for the economy to flourish; in order for poverty to go away in those countries, security and stability must take place. I am concerned about all that.

Mr. KLINE. As am I. We have so many balls to keep in the air, and of course we are very much focused on the Global War on Terrorism and looking to the Middle East and the periphery of General Jones's area, but I am worried that we might lose sight of some other developments in South America. Very quickly, General Jones for you, we have been delighted to see the cooperation of Poland, the Poles in Operation Iraqi Freedom, and in the operations there now. I know that there is some consideration about strengthening relations with Eastern European countries, and even some discussion of moving U.S. forces. I believe, in fact, it came originally from your Command about the possibility of moving some U.S. forces in that direction. Can you tell us how that is going?

General JONES. Yes, sir. Very briefly, as NATO expands within the next few weeks, on the second of April, actually, the formal accession ceremony will take place in Brussels of seven new members. Just to recap, they would be Romania, Bulgaria, Slovenia, Slovakia, Lithuania, Latvia, and Estonia. They will become full members of NATO. As the Commander of the U.S. forces in EUCOM, of course, we have had to do a reassessment with our own force posturing to see how we might best support not only our national interests and our bilateral relations in Europe, but also support for the alliance.

That has led at the direction of the Secretary of Defense to conduct a major study. In EUCOM last year, we proposed a fairly dramatic change in the capabilities of our forces that have been there since the end of World War II. It involves a re-shaping of those forces in a manner that might make them more strategically effective to address the emerging interests to the east, and more specifically—and I associate myself with the necessity to focus on the greater Middle East, and also, as I have said publicly and privately, to the realities of our southern flank, both on a national basis and an international basis.

The substance of the proposal, sir, is to essentially make our bases that are currently in existence in the traditional part of Europe, that existed post-World War II, and to collapse them into strategically enduring installations. In other words, I have used the example of Ramstein Air Force Base, without which we would not have been able to execute the flow of forces to either Operation En-

during Freedom or Iraqi Freedom. Bases like that will have continuing strategic value, so we have identified those. We have made recommendations as to how we should address those.

Beyond that, with regard to the new realities to the east, we have proposed two new types of bases. One called a forward-operating base, an example of which would be a base like we have at Camp Eagle in Bosnia or Camp Bondsteel in Kosovo, which have already been built, but which do not include the massive infrastructure of our post-World War II bases—that is to say with schools and families and so on and so forth.

The third type of base would be a forward-operating site which is a bare-bones installation that you can see from an aerial picture would be a runway, some rudimentary shelters, maybe electricity, maybe not, but where truly expeditionary forces could operate to help our friends and allies whose borders are threatened, have the wherewithal to defend themselves and to do some basic training.

What we have set about to do in Europe is to develop a catalog of all such bases and work nation by nation in developing agreements whereby in the future if it became necessary to use such bases, that the agreements would already be in place and that we could do this either on a bilateral basis for training or in response to a real crisis.

By taking the Army, the Navy, the Air Force and the Marines who are based in Europe, most especially the Army, and transforming that Army, which is based around two heavy tank divisions, into something that is more strategically agile, and augmenting this force with rotational forces from CONUS or from any other place that they might come from, we could actually become more strategically effective and reach out and influence areas to the east, where the welcome mat—I have to tell you, one of the greatest feelings I have had as an American is to go almost anywhere in Eastern Europe and see the hand of friendship and cooperation, whether it is Poland, the Czech Republic, Hungary, Romania, embracing concepts such as non-commissioned officer (NCO) leadership, which was absent in former Warsaw Pact countries.

This is a marvelous time and an extremely unique opportunity to transform former Warsaw Pact nations who want to do this, into a much more interoperable capability that will not only benefit the alliance, but certainly the bilateral relationships we have with our friends. This is an extraordinary time in this important theater.

Thank you for that question.

Mr. KLINE. It is exciting to hear the excitement as you talk about it.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

Hi, gentlemen. Good to see you again. As you know, I have had the opportunity in the past year to go out both to SOUTHCOM and to EUCOM to take a look at the troops and see what is going on out there. So it is great to have you back to testify before us.

Has Mr. Meek had the opportunity yet?

The CHAIRMAN. No. I would tell the gentlelady, no. Mr. Meek still has not had a question; nor has Mr. Wilson. And we will probably have a vote, a series of three, in about five minutes.

Ms. SANCHEZ. I will limit my questioning to one question, to give them the ability to ask before we leave.

The CHAIRMAN. I appreciate that.

Ms. SANCHEZ. Then I will submit the rest of the ones that I have for the record. So, General Hill, I will submit your questions for the record and I will ask our NATO Commander here. I have a question about the reduction and the realignment of the bases and forces in Central Europe, and obviously the transformation plan. According to your testimony, the plan envisions deployment of forces for six-month rotations to forward operating bases (FOB) and forward operating locations (FOL). I think it makes sense in light of the fact that we are trying to get closer to where things might pop up in specific theaters.

But I want you to comment on the human impact of these expeditionary concepts on the total force. The idea of six-month rotations to FOBs was born before we went into OIF and OEF, and we placed such overwhelming demands on the force. Now that we are almost daily reminded of the extraordinary strain that deployments to Iraq and Afghanistan have, what they are doing to our active troops, to our Reservists, our National Guardsmen, our resources, their families, which is what we hear from all day long out there.

Is the concept of the regular six-month deployment overseas even feasible from a human standpoint, now that we have an indefinite commitment of over 100,000 troops to Iraq? Could the Army even provide forces to these six-month deployments to FOBs as long as we are committed to the Iraqi theater, without breaking the force and without hurting our retention and recruitment? Has Iraq changed the concept or the timeline for the EUCOM transformation?

In case you think I am smart and I thought this up, actually this was from a relationship of what the troops are actually asking me when we were out in Europe this past year.

General JONES. Thank you very much, ma'am, for those insightful questions. Obviously, when a nation is engaged in two major theater conflicts, as we have been in Afghanistan and Iraq, there are certain things that have to come into a new focus with regard to priorities. You cannot do everything at once and simultaneously.

So the plan that is being proposed is obviously a plan that if it is accepted and instituted will have its place in the sun at a time when we will be hopefully engaged in less of a combat operational mode and more of an engagement mode within the normal context of how we use our forces.

I am very much a believer in the principle of forward presence, and by forward presence I do not necessarily mean that we have to build Fortress America everywhere. As you know, I come from an expeditionary service, a service culture that has tackled the problems that you so correctly mentioned, in such a way that the Marine Corps, for example, has been able to attract and retain high quality members of our force for many years now. As a matter of fact, we just had a milestone celebration of over six years of monthly meeting of our quotas.

More important to recruiting, the acid test for any service chief is what is the exit poll. The exit poll is reflected in people who will leave the service, if you break that bond between them and their families and the quality of life, and the reasonable expectations that they have to do their jobs, but to do it in a way that allows them also to raise families and have a certain amount of time at home. So no one understands that and has been more dedicated to that than the Marines and the Marine Corps.

Having said that, what we are seeing throughout the transformation of the Armed Forces of the United States is a recognition that rotational forces have an inherent value. The inherent value in the context of the operational forces is predictability. This is extremely important to get to your questions with regard to family stability because, as a Marine, if I know that I am reporting into the Second Marine Division or the First Marine Division at Camp Pendleton, generally in normal times I know that in one year's time I am going to be deploying for six months. I will come back for 18 months and I will deploy for another 6 months. That is eminently acceptable in an expeditionary force.

Where we have problems with the concept in the aggregate is among services that have two or three philosophies, some for individual replacement; some for unit replacement; some for rotational. What I think the Army is coming to is more of a commitment to a rotational forces as a core philosophy. In the case of Europe, what that will mean is that the two heavy armored divisions that define the U.S. Army presence in Europe will, once transformation is done, have something completely different. We will retain a certain amount of permanent capability, but that capability will be very expeditionary, very agile, very light. We will probably put a lot of our heavy equipment into pre-positioned stocks. It will be exercised and used and ready to go.

And we will be augmented by rotational forces that can come from elsewhere in the United States. They can sometimes be National Guard; sometimes reserve units; sometimes active forces. I like to make the case that in Bosnia or in the Balkans right now, virtually all of the troops are National Guard troops and doing a great job. So where the troops come from is not nearly as important as it was 20 years ago, when we did not have the strategic transportation that is available to us now and the world was much bigger in terms of the amount of time it took troops to get there.

Your point is well taken. As the availability of disposable units, if you will, is concentrated in Afghanistan or concentrated in the Gulf, of course that draws down on the rest of us and we will have to find ways to balance the force and balance its utilization in ways that are commensurate with our commitment to our families, which is beyond question.

I also think that there is an offset to this, and that is until we can in fact have this rebalancing, we can do a lot more with allies. We can build coalitions to do this. We can provide a lot of things to people that can help them, in Africa, for example, to defend their borders by bringing to bear some of the capabilities that only we have. That does not necessarily mean people on the ground.

So it is a long answer to a very good question. There is no question in my mind, though, as a supporting Commander to the Cen-

tral Command, of the important struggle that we are involved in, that that is a priority of work; but I think someday that will end and we need to be able to have what is next lined up. I think this plan is part of what is next.

Ms. SANCHEZ. Thank you, General.

The CHAIRMAN. I thank the gentlelady.

Mr. Wilson and Mr. Meek, we have probably about ten minutes left on this vote, so I think we have a good chance of wrapping up here.

The gentleman from South Carolina, Mr. Wilson.

Mr. WILSON. Thank you very much, Mr. Chairman.

I would like to thank both of you for your obvious enthusiasm for what you are doing and your competence. I am very grateful for your service and your troops.

Additionally, General Hill, I appreciate your interest and concern about the people of Colombia. I am very active in the Partners with the Americas Program. We are in South Carolina, associated with Southwest Colombia. We have had for a number of years student exchanges, business exchanges, cultural exchanges. Obviously, they have been disrupted. Still, we have a number of students that are able to come to the United States.

Unfortunately, we had other programs. One of my sons went to high school in Cali, but that is on hold. I see the progress you are making. I appreciate it and I have been particularly impressed by the Special Forces and their dedication and success.

Additionally, General Jones, the jurisdiction that you have, your area of operations, is amazing to me. From the top of Europe to the tip of South Africa is extraordinary. My motivation for even being involved in government and politics was as a Cold Warrior. I appreciate the success of the European Command.

Also, I am so excited, as you are, to see the freedom for people in Central and Eastern Europe that could only be imagined. A country that I have worked with closely with Congresswoman Ellen Tauscher is Bulgaria. We are active in the Bulgaria Caucus. I am so proud of their active participation; troops in Afghanistan; a battalion to Iraq. They are providing bases to the United States. I work very closely with their very capable ambassador, Elena Poptodorova, who formerly was a member of the national assembly. I know first-hand of their dedication to the war on terrorism. I urge you, as you have already answered the question of Congressman Kline about forward placement of bases, that Bulgaria is willing, able and enthusiastic.

A question I have is, I am very pleased about the success that we have had in the war on terrorism. One of the greatest successes is the virtual disarmament of Libya. I know that that is in your jurisdiction. Would you comment on what the status and significance of Libya is?

General JONES. Sir, thank you very much for your statement and the question. The cautious optimism that we all have with regard to Libya, of course, has to be played out, but from a strategic standpoint, to have a country the size of Libya join the family of nations along the southern rim of the Mediterranean, and hopefully conceivably, and you could even see them becoming at some point part of a Mediterranean dialogue and actively functioning as one

of the partners in keeping the Mediterranean and keeping terrorism reduced in North Africa is incalculable.

This is a very, very positive development, and we hope that it has a long-lasting impact. We stand ready to do whatever we can at EUCOM to make sure that it is a success.

Mr. WILSON. And to what would you attribute the change of attitude of Moammar Qaddafi?

General JONES. I have no particular insights, sir, about what reason that he might have, but I would say that I am sure he was very impressed with the capabilities he saw on display against Iraq. I believe he came to a judgment that it was probably better to be on the right side of the issues than on the wrong side of the issues, particularly where terrorism and instability is concerned. So I applaud his change of heart.

Mr. WILSON. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Meek.

Mr. MEEK. Thank you, Mr. Chairman.

And thank you, Senator Jones. I mean, I am making you senators now.

The CHAIRMAN. You do not want to demote him here. [Laughter.]

Mr. MEEK. I heard that, especially after this long stay they have had here this morning.

General Jones, I would submit my questions for the record and written to you. But, General Hill, first of all, I just want to say, and Mr. Chairman, I think the committee needs to be made aware of the fine work that not only the men and women in Haiti are doing as it relates to restoring safety and peace, but General Hill I want to commend you personally for keeping me abreast of what is going on in Haiti.

As you know, I represent more Haitians than any other Member of Congress. Regardless of the political situation there, that is not my main concern. My main concern is making sure that we are able to make it a chapter six country, more than a chapter seven, so that we can get other countries in there providing humanitarian help.

Mr. Chairman, rightfully so, many countries asked nongovernment organizations (NGO) and others to leave at the height of the danger in Haiti. As it relates to the Coast Guard and the work that SOUTHCOM is doing and the fine Marines that are on the ground there, a lot has changed.

The briefing that General Bishop gave his last trip to the Hill last weekend, and Colonel Napoli when I came out to SOUTHCOM on one Sunday and he pulled together the Command staff to share with me in a closed-door briefing about what was going on in Haiti, some of the characters, some of the people that you are dealing with.

I can say that your recent creation of the civil military operations center, the CMOC, I know it has worked in Iraq. I know that it has done positive things in Somalia and also in Haiti in the early 1990's when you were there, along with many other members of SOUTHCOM. That is really set up to coordinate NGOs to be able to get back into Haiti. I think that is the key to hopefully building

some sort of environment for future elections so that that democracy can continue on.

One of the main roads in Haiti, the best road in Haiti, was built by the Army, out of Port-au-Prince to Celan and up to the north. When it runs out, it is a pretty rocky road from that point on.

I wanted to ask you about the CMOC and maybe share with members of the committee and the Chairman, how do you see that working toward hopefully more countries taking part in the peace-keeping and also humanitarian efforts?

General HILL. Thank you, Mr. Meek. I appreciate your interest in Haiti. We share a common interest in this country that we would like to see. The Haitian people deserve a lot better than they get from their leadership. I am hopeful that they are on the right path again.

The civil-military operations center that you speak of, we quickly established it within the Joint Task Force staff to better facilitate the nongovernmental organizations to deliver food and other products to the populace and to carry out their operations. That will continue to get better and more delivery of goods as the situation continues to become more stable and secure, which I have no doubt that it will.

Mr. MEEK. Mr. Chairman, I shared with you when I walked by and I wanted to talk to you a little bit about Haiti, and I know that we are on our way to a vote, but I am going to try to get over there on the two-week break that we have, to hopefully get a chance to not only—I have been in conversation with the Ambassador, but also meet some of the general's people that are over there working with the CMOC because I believe that we need Members of Congress that have an assignment to hopefully get other NGOs to return, and say that it is okay; that I have seen that it is okay; that they are working hard toward making sure that we are able to reach some of those areas in Haiti where individuals are actually not receiving services because we asked folks to leave. So I want to talk to you further about that.

General Hill, I just wanted to say personally, I know that this is my first term in Congress, but I just want to appreciate what your staff has done to keep me informed, which has allowed me to represent my constituents better, and also stand for Haiti in this Congress in a way it should be stood for, and that is making sure they receive the assistance that they deserve.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

I think we have probably two minutes left on this vote, but I want to make sure the ranking member, who saved his questions for the last, and now he understands the folly of that policy. [Laughter.]

I thank him.

Mr. SKELTON. But Mr. Chairman, they were all asked anyway. Just a special thanks to each of you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. I thank my partner on this committee very much.

Just one last question before we take off here, General Hill, is this. You have a cap. The Administration has recommended a

modification of the cap, but nonetheless a maintenance of the cap. If you strip the politics and the resistance of Congress to an expansion of American personnel members in-theater in Colombia, from your perspective as a military person who has missions and objectives and has to meet them, would you prefer—and I am asking for your own personal opinion—to carry out your professional duties that there be no cap?

General HILL. Mr. Hunter, I would prefer to not have a cap. I would prefer to have the flexibility to carry out the mission that the United States has given me to do without the cap, but I recognize that it is a congressional constraint and we will work with it.

The CHAIRMAN. Okay.

I appreciate it so much. Gentlemen, thank you. Thanks for your leadership. I think we had an excellent discussion with members of the committee.

The hearing is adjourned.

[Whereupon, at 12:21 p.m., the committee was adjourned.]

The first part of the paper discusses the importance of the study of the history of the United States. It is pointed out that the study of history is not only a means of understanding the past, but also a means of understanding the present and the future. The author argues that the study of history is essential for the development of a nation and for the well-being of its people. He states that the study of history is a means of learning from the mistakes of the past and of avoiding them in the future. He also states that the study of history is a means of understanding the character of the American people and of the American government. The author concludes that the study of history is a means of understanding the United States and of making it a better place to live in.

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A P P E N D I X

MARCH 24, 2004

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MARCH 24, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

**U.S. European and Southern Commands
FY 2005 Posture Hearing**

March 24, 2004

This morning the Committee continues its review of the posture of our unified commands for fiscal year 2005. Our guests today are:

**General James L. Jones, USMC
Commander
U.S. European Command**

**General James T. Hill, USA
Commander
U.S. Southern Command**

Welcome back to the Committee gentlemen. We look forward to your testimony and appreciate your appearance this morning.

Over the last year or so, a number of critics have accused the administration of acting unilaterally in the world. If your test for multilateralism is global consensus, it would be easy to believe that those charges were accurate. In fact, they couldn't be further from the truth.

Even though France, Germany, and Belgium criticized the United States for Operation Iraqi Freedom, some thirty-four countries have contributed forces to providing security and stability in Iraq. Three fall under General Hill's area of responsibility and twenty-two of those countries fall under General Jones'. Collectively, they constitute a majority of our allies in NATO.

The United States is also working cooperatively with thirty-four other countries in the International Security and Assistance Force in Afghanistan, under NATO leadership.

In Haiti, the United States has deployed peacekeepers in cooperation with troops from France, Canada, and Chile. And, in Colombia, the United States is actively engaged in raising standards of professionalism and instilling a respect for human rights in the Colombian military, both of which are necessary if the Colombia's fragile democracy is to prevail against narco-terrorists.

In Africa, the Administration is launching the Pan-Sahel initiative to assist Mali, Niger, Chad, and Mauritania in reducing the ungoverned spaces they share and closing down a possible refuge for terrorists and their allies. In Liberia, U.S. forces worked closely with the Economic Community of West African States—an organization of 15 countries—to bring fighting there to a halt and restore some degree of law and order.

Clearly, this is not the picture of a country unable to work and play well with others. Instead of the caricature painted by certain pundits, it is the image of an Administration moving

proactively and multilaterally to change material facts on the ground and improve U.S. national security. And ultimately, that's where our security lies, in proactively changing our environment by acting to remove the threats to our security, not in accepting the lowest common denominator on which the world's governments can all agree.

Being proactive means changing some of our historical national security relationships. It means that some activities and locations accustomed to being at the center of U.S. policymaking during the Cold War will become less important, and that some feelings could be hurt as the United States changes its global defense posture to reflect the new strategic landscape we face. Ultimately, it means changing our global footprint and relocating many of our military forces around the world.

Generals Jones and Hill understand that and are at the center of these shifts. Even as we meet, they've been reconfiguring their

activities to better deal with the war on terror. Gentlemen, I look forward to hearing how your commands are adopting to our new strategic circumstances.

But first, let me recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

General Jones, the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO), Full
Full Committee Hearing with Combatant Commanders of U.S.
European Command and U.S. Southern Command
March 24, 2004**

Thank you, Mr. Chairman. General Hill, welcome back. General Jones, welcome back to the committee but welcome in your first visit as commander of European Command. It was great to visit with you on the way back from my recent visit to Iraq and Afghanistan, and it's good to have you both here.

At the outset, let me say how proud we all are of the men and women who serve in both of your commands. We know that many forces from Europe, including the 1st Infantry Division, are now in Iraq, and many more have already served in both Iraq and Afghanistan with distinction. In Southern Command, American Marines are trying to bringing order again to troubled Haiti, as they have to so many other places. Each time I visit with our troops, I am amazed by what they accomplish every day.

General Jones, our NATO partners have formed our core alliance for more than 50 years. They are with us in Afghanistan, and our collective presence there, I believe, is key to helping President Karzai bring stability and coherence to that nation. I believe our NATO allies are also critical to our efforts in Iraq—both in assuring the Iraqis that this is not an American occupation and in decreasing the burden on our own troops.

Things have the potential to go bad quickly in Iraq—last week's bombing showed us that. I hope the transition to some new government at the end of June goes smoothly and that Iraq becomes a stable country with a viable, representative form of government. But I also worry that the situation there could devolve into civil war—and we need to be prepared for that possibility. The NATO countries are the best friends we have, and Europe has just as great a stake in Iraqi and Middle East stability as we do. In the aftermath of the Spanish bombing though, I worry that significant NATO participation in Iraq will become

problematic, and I welcome your thoughts about how we can encourage the alliance to stay and stand with us. I hope you will address this.

General Hill, it won't come as a surprise to you that I remain concerned about our military involvement in Colombia and, in particular, about the Department's request to increase the existing troop and contractor caps there. This is not to say that I don't think that President Uribe is making progress in Colombia against the rebel groups there—I think he is.

My concern is about the level of American military commitment. I believe a doubling of the number of military personnel is not a "small increase" as your testimony indicates. I am concerned that this increase portends a creeping involvement in a conflict that is, at its base, a civil war. By tying ourselves so closely to the success of Colombia's Plan Patriota, I worry that we are effectively committing ourselves to future requests for troop increases if things start to go badly. I do not hope for that outcome, but I think the possibility argues for a strategic look at the

entire policy now—before we find ourselves defaulting into significant military obligations at a time when our forces are already stretched thin elsewhere around the world.

I am particularly concerned about the troop cap issue this year. I have believed for some time that we need a significant and permanent end-strength increase—especially in the Army. Even if we got that increase, I still believe we should carefully examine the strategic necessity of this policy change. But the absence of a permanent, statutory end-strength change, in combination with my concern over the potential that we could slip into an intractable situation there, makes me skeptical about the wisdom of raising the cap. I hope you will speak to these concerns.

General Hill, General Jones, I look forward to both of your testimony. Thank you, Mr. Chairman.

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POSTURE STATEMENT OF
GENERAL JAMES T. HILL, UNITED STATES ARMY
COMMANDER, UNITED STATES SOUTHERN COMMAND
BEFORE THE 108TH CONGRESS
HOUSE ARMED SERVICES COMMITTEE
24 MARCH 2004



OFFICIAL USE ONLY

UNTIL RELEASED BY THE HOUSE ARMED SERVICES COMMITTEE

Introduction

Mr. Chairman, Representative Skelton, Members of the Committee, it is my privilege to present the posture statement of the United States Southern Command. The men and women of our command are making enormous contributions to the War on Terrorism and the defense of this country on a daily basis. Your Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, and Department of Defense civilians are working throughout the region to promote U.S. national security interests. Their work has done much to preserve stability and strengthen relationships with our allies. Simultaneously we are building a cooperative security community that will advance security and stability in the generation to come.

The security picture in Latin America and the Caribbean has grown more complex over the past year. Colombia's considerable progress in the battle against narcoterrorism is offset by negative developments elsewhere in the region, particularly in Haiti, Bolivia, and Venezuela. These developments represent an increasing threat to U.S. interests. We face two primary types of threats in the region: an established set of threats detailed in previous years and a nascent set likely to raise serious issues during this year. On the traditional front, we still face threats from narcoterrorists and their ilk, a growing threat to law and order in partner nations from urban gangs and other illegal armed groups, which are also generally tied to the narcotics trade, and a lesser but sophisticated threat from Islamic radical groups in the region. These traditional threats are now complemented by an emerging threat best described as radical populism, in which the democratic process is undermined to decrease rather than protect individual rights. Some leaders in the region

are tapping into deep-seated frustrations of the failure of democratic reforms to deliver expected goods and services. By tapping into these frustrations, which run concurrently with frustrations caused by social and economic inequality, the leaders are at the same time able to reinforce their radical positions by inflaming anti-U.S. sentiment. Additionally, other actors are seeking to undermine U.S. interests in the region by supporting these movements.

These traditional and emerging threats are overlaid upon states in the region that are generally marked by weak institutions and struggling economies. This resulting frailty of state control can lead to ungoverned or ill-governed spaces and people, corruption, and clientalism. The militaries we work with in the area of responsibility are feeling the brunt of both threats and weak governments, but for the most part have supported their respective constitutions, remained professional, and respected human rights. They will be under increasing pressure from these stressors over the next several years. Consequently, we must maintain and broaden our consistent military-to-military contacts as a means of irrevocably institutionalizing the professional nature of those militaries with which we have worked so closely over the past several decades.

We are assisting our partner nations' efforts to address these threats and underlying structural factors through consistent, patient cooperation. We work closely with the interagency to build a coherent, long-term vision and to coordinate our efforts, but to realize that vision will require considerable time, energy, and resources. As in Colombia, the work will be hard and will require long-term dedication and commitment. The

security, economic well being, and demographic fortune of our country is inextricably linked with Latin America and the Caribbean. The entire Americas, working as one, can confront these existing and emerging threats, and they can do so while providing for economic growth and opportunity. Consequently, this region of the world, despite all the other very real and pressing demands on our national attention and resources, requires increased attention in the coming year.

To describe the current state of affairs in U.S. Southern Command, I will outline in detail the threats we are facing, both traditional and emerging. I will provide a regional assessment, with particular emphasis on the progress we are seeing in Colombia under the Uribe administration, followed by an assessment of our progress in the War on Terrorism. Finally, I will address Southern Command's requirements.

Threats

The narcoterrorists in Colombia remain the largest and most well known threat in our region and have continued their illicit activities, yet not without a price. All three narcoterrorist groups are named on the Department of State's list of designated foreign terrorist organizations: the Revolutionary Armed Forces of Colombia, or FARC; the National Liberation Army, or ELN; and the United Self-Defense Forces, or AUC. Most observers now understand that these groups are narcoterrorists rather than romantic guerillas crusading for the downtrodden. While a few might retain some of their founding ideology, by and large these groups consist of terrorists and criminals who operate outside the rule of law in pursuit of illicit profits rather than political revolution.

The FARC still comprises the largest threat, with an estimated 13,000-15,000 members. The FARC has continued to conduct terrorist activities in Colombia and still holds three Americans hostage. Despite their numbers, they have suffered many setbacks this past year, with the capture or elimination of a number of valuable leaders and front commanders. Most notably a high-level financier, Simon Trinidad, was captured by the Ecuadorians and turned over to Colombian custody. Over 2,000 FARC members have demobilized since August 2002. The ELN, a smaller organization with an estimated 3,500 to 4,000 members, is declining in importance. There has been some progress in encouraging the ELN to demobilize via peace talks, although those who refuse may merge with the FARC. Much of the AUC, while still a threat and still heavily involved in narcotics trafficking, is in peace negotiations with the Government of Colombia. 10,000 to 12,000 members of the illegal self-defense groups are estimated to be involved in the peace process, though another 2,000 to 4,000 remain outside the process.

The narcoterrorist influence is bleeding over into what we see as a second and increasing threat to the region: growingly sophisticated criminal gangs. While not all gangs are fueled by illicit narcotics, most bolster their criminality by drawing substantial support from the drug business. The World Health Organization has described Latin America as the world's most violent region based on the numbers of homicides per capita, surpassing even war-torn Africa. Homicides and violent crime take a direct toll daily on Latin Americans. There is another insidious second order effect. The Inter-American Development Bank has estimated that per capita GDP in Latin America would be nearly 25 percent higher if Latin American crime rates resembled those of the rest of

the world. Violent crime causes capital flight from within the country and stifles investment from outside the country. It literally takes money out of the pockets of those who need it most and most hurts those who have the least. This second threat faced by many Latin American countries is difficult and complex because it falls precisely on a seam between law enforcement and military operations. Latin American leaders need to resolve this jurisdictional responsibility issue to promote cooperation among their police and military forces while simultaneously restructuring their states' security forces.

Beyond narcoterrorist and gang violence, branches of Middle Eastern terrorist organizations conduct support activities in the Southern Command area of responsibility. Islamic radical group supporters, extending from the Caribbean basin to the tri-border area of Paraguay, Argentina and Brazil, conduct fund raising activities. Terrorists who have planned or participated in attacks in the Middle East and the United States, such as captured high profile al Qaida terrorist Khalid Shaihk Mohammed, have spent time in the region. Supporters generate illicit funds through money laundering, drug trafficking, arms deals, human smuggling, piracy, and document forgery. They funnel tens of millions of dollars every year back to their parent organizations in the Middle East, thus extending the global support structure of international terrorism to this hemisphere. Not surprisingly, Islamic radical groups, narcoterrorists in Colombia, and urban gangs across Latin America all practice many of the same illicit business methods.

Radical populism is another emerging concern in the region. Populism in and of itself is not a threat. Rather, the threat emerges when it becomes radicalized by a leader who

increasingly uses his position and support from a segment of the population to infringe gradually upon the rights of all citizens. This trend degrades democracy and promises to concentrate power in the hands of a few rather than guaranteeing the individual rights of the many. Anti-American sentiment has also been used to reinforce the positions of radical leaders who seek to distract the populace from their own shortcomings. Anti-American sentiment also troubles our partner nations as well, as elected leaders must take into account the sometime very vocal views of their constituents. The threats and trends in the region paint a negative picture in many regards and certainly bear close scrutiny in the coming year. We will maintain vigilance. We will also continue our work with partner nations and the interagency to shore up stability and promote increasing security cooperation.

Regional Assessments

Andean Ridge

Colombia is where the most is at stake. The United States made an enormous investment in the Government of Colombia three and a half years ago with our support to Plan Colombia. That investment is beginning to pay dividends. Under President Uribe, the Government of Colombia, with robust popular support, is making impressive progress in defeating the narcoterrorists and rejoining the ranks of peaceful, safe and secure states. I have been to Colombia 23 times since I took command, and I have seen progress on every visit.

President Uribe is a unique leader who has galvanized the will of the people and motivated his armed forces. He has personally demonstrated that one individual can change the course of events. Without his personal leadership, energy, and dedication, I don't think the Colombians would have achieved the remarkable progress we have seen. Yet his personal charisma and drive only go so far, and he well knows it. That is why he is building the structures to sustain momentum and institutionalize success beyond that of his term and beyond that of Plan Colombia.

The Colombian military has become much better and more aggressive in their operations against the FARC, the ELN and the AUC. They have nearly doubled the number of narcoterrorists captured while also seizing the initiative on the battlefield. They have had increasing success against the enemy's leadership. Demobilizations are up, with some 3,500 members of illegal armed groups having voluntarily given up arms since President Uribe took office. There have been fewer terrorist attacks on the electrical grid, the oil pipeline, communications towers, roads, bridges, and towns. Cocaine eradication is up along with interdiction and seizures. Colombia has resumed a thoroughly vetted and robustly staffed Air Bridge Denial Program. Across the entire country, homicides, kidnappings, robberies and thefts are down. Colombia's economy is growing as measured in its GDP, stock market, foreign investment, exports, and banking revenues. I am heartened by the progress the Colombians are making, of their own volition, and with our aid. We need to stay the course in our support of their efforts to ensure that the Plan Colombia dividend is paid in full.

The Colombians are abiding by the norms of International Humanitarian Law in their struggle. The State Department has certified this performance. Under President Uribe's "Democratic Security Policy," extrajudicial executions in 2003 were down 48 percent, assassinations were down 41 percent, homicides of trade unionists were down 68 percent and forced displacements were down 68 percent. None of the units U.S. forces have vetted and trained have been found to have committed human rights abuses. Alleged human rights abuses by Colombian security forces are now less than two percent of those reported and the institutionalization continues with the opening of Colombia's Armed Forces School of International Humanitarian Law, Human Rights, and Military Justice that teaches human rights and international humanitarian law to attorneys, commanders, officers, and sergeants. I am confident that President Uribe and the Colombian military have taken respect for human rights to heart, unlike their adversaries, who commit the vast majority of human rights abuses. In 2003, as members of the illegal armed groups demobilized, over 77 percent of those who did so turned themselves into government forces. If those demobilizing suspected they would be subject to torture and abuse, they would turn themselves into non-governmental organizations and the Church as they did in years past, before human rights became an integral part of the Colombian military's ethos. That professional ethos is also reflected in public opinion that now lists the Colombian military as the second most respected institution in the country just behind the Church. The Colombian military is at war, which it will win while fighting justly.

Venezuela remains an oil rich nation that provides some 13 percent of oil imported into the United States. The domestic political situation continues to be exceedingly

complex, and the prospects of the presidential recall referendum are still in considerable doubt. Venezuelan society is deeply polarized and will continue to be so as long as the Government of Venezuela continues along an authoritarian path. Well-organized street protests numbering in the hundreds of thousands occurred on a frequent basis over the past year.

Bolivia faced significant turmoil over the past year. Bolivia has a very deep geographic divide between two parts of the country, the La Paz region and the lowlands around Santa Cruz, which is mirrored by deep ethnic and social divisions. There are legitimate and historic grievances, manifested partially in tension over indigenous traditions that revolve around growing coca in limited amounts as a part of their native culture. Yet the limited amounts never seem to stay limited, and the *cocaleros* who seek expanded rights to grow coca certainly envision the profits from illicit narcotics rather than the practice of ancient traditions. These *cocaleros* have found leaders who have tapped into indigenous and other social tensions. Indigenous groups, working with labor unions and others, mounted violent protests last October that led to the eventual resignation of then President Gonzalo Sanchez de Lozada. If radicals continue to hijack the indigenous movement, we could find ourselves faced with a narco-state that supports the uncontrolled cultivation of coca. Since his elevation to the presidency in October, however, President Mesa has been able to stabilize the country. Still, Bolivia bears very close scrutiny in the upcoming year.

Ecuador has demonstrated over the past year that it has the political will to secure its border with Colombia and to fight drug traffickers. Despite limited resources and a vast expanse of thickly vegetated country that needs to be covered, the Ecuadorian military has placed many of its best troops on its northern frontier and has established cross-border communications with the Colombian military. Ecuador continues to host one of the Southern Command's Cooperative Security Locations (CSL) in Manta, which has been especially critical in providing coverage on the eastern Pacific vector of drug smuggling.

In Peru, President Toledo suffers from very low popularity ratings despite a good economy. Peru's large indigenous population remains relatively politically inactive and has not been mobilized to the extent seen in Bolivia. Sendero Luminoso (SL) remains an ongoing problem. The Peruvian military has aggressively pursued them, and they do not possess the strength or capabilities they once displayed. Ominously, SL has now adopted the FARC model of protecting narcotics traffickers in exchange for funding. In a reassuring example of regional cooperation, the defense ministers from Peru, Colombia, and Brazil signed a three-way agreement to combat illegal drug trafficking in the Amazonian region on February 10th, 2004.

Caribbean

Following the resignation and departure of former President Aristide, there was a constitutional transfer of power to the interim government in Haiti, and with it, an opportunity to move forward. With United Nations support and in conjunction with our

partners, we have established the Multinational Interim Force, consisting of forces from the United States, France, Chile, and Canada. We are working to reestablish security and stability for the Haitian people until such time that Haitian institutions have been sufficiently bolstered to resume that task. This operation has had the effect of saving the lives of innocent Haitians, preventing a mass migration during a time of rough seas, protecting U.S. interests in the Caribbean, and fostering regional and international cooperation to assist a nation in need. Much work remains to be done, and we will continue providing our assistance to the Multinational Interim Force's efforts and to developing plans for a potential follow-on U.N. Multinational Stabilization Force.

Beyond Haiti, the primary challenges in the Caribbean come from narcotrafficking, terrorism, document fraud, and corruption. Democratic institutions remain relatively immature, rendering many countries unable to police fully their sovereign territory, resulting in porous borders and coastlines and ungoverned spaces. Migration remains a concern should Caribbean governments be unable to meet the needs of their people. Additionally, violent crime has grown over the past decade, much of it related to narcotrafficking, arms trafficking, and money laundering. To meet these challenges regional governments are attempting to focus on cooperative efforts such as the Regional Security System (RSS), the Caribbean Disaster Emergency Response Agency (CDERA), the Caribbean Information Sharing Network (CISN), and the U.S. Coast Guard's Caribbean Support Tender (CST). A key element of Southern Command's efforts in the Caribbean is the uniquely focused Tradewinds exercise. Conducted annually,

Tradewinds exercise objectives focus on combating transnational threats, counter drug operations, and disaster preparedness.

Aruba and the Netherlands Antilles continue active support of Southern Command counterdrug efforts with their respective Cooperative Security Locations. Of all our allies in the Caribbean, the Dominican Republic has the strongest military and has often been the most supportive. Their military capability and political leadership allowed them to support multinational forces in Iraq with a battalion sized task force. The Dominicans will be key partners in expanding the Third Border Initiative to build a Caribbean zone of confidence. The Enduring Friendship initiative will help synchronize all maritime activities in the Caribbean, deny terrorist access, protect legal trade, and suppress illicit trafficking.

Central America

Democratic governance continues to be the accepted model throughout Central America and the region is generally pro-United States. Central American leaders have shown a commitment to free trade and open economies and have also begun laying the groundwork for greater regional integration. They are overcoming historical border differences and tensions in order to pursue regional economic and military integration. Honduras, El Salvador, and Nicaragua sent forces to support Operation Iraqi Freedom. Current relations with Nicaragua are a testament to how much improvement has been made in just two decades with patient, cooperative efforts. Additionally, El Salvador provides Southern Command the use of Comalapa Airport as a Cooperative Security

Location for counter-trafficking coverage throughout Central America, the eastern Pacific, and the western Caribbean. Joint Task Force Bravo in Honduras continues to provide a logistical support base to the critical humanitarian missions of the region, as well as to counter illicit trafficking operations.

Despite progress, Central American countries lack resources and remain susceptible to the ills of narcotics and arms trafficking. This region is also a primary avenue for illegal migrants and drugs entering the United States. Especially troublesome is the growth in gangs and drug related crime we are seeing across Central America. Unemployment and poverty, together with a demographic surge in the younger population and thousands of leftover weapons from the wars of the 1980s, make Central America a fruitful recruiting ground for organized criminals. Violence is a major problem in this area with local vigilantism taking the place of judicial systems that do not work. There are estimated to be at least 25,000 gang members in Honduras, El Salvador and Guatemala, the three countries where the problem is worst. There is also some evidence that many of those gang members have close connections with gangs in the United States, either from drug distribution networks or from immigration and re-migration to their home countries.

Southern Cone

The Argentine economic crisis has caused many to question the validity of neo-liberal reforms, manifested in the Buenos Aires Consensus signed last October by Presidents Kirchner and Lula and stressing "respect for poor countries." Southern Cone countries, traditionally strong supporters of multilateralism and the United Nations, were also the

most vociferous in opposition to Operation Iraqi Freedom. Limitations related to the American Servicemember Protection Act (ASPA) have added yet one more complaint. Brazil continues along a moderate path but is suffering from narcotics fueled urban gang violence. The Brazilian minister of justice stated that violence in Brazil's three biggest cities costs \$4.5 billion dollars a year. Nevertheless, progress and stability in Brazil is not in question.

We are maintaining strong military-to-military relations with the countries of the Southern Cone. Southern Command has developed relationships with the new Argentinean military leadership and expects sustained cooperation in the future. Cooperation with the Brazilian administration and the Brazilian military continues routinely. We have received good cooperation from Argentina, Brazil, and Paraguay in disrupting terrorist activities in the Tri-Border Area (TBA). A Chilean platoon and a Paraguayan platoon are serving under Argentine command in the United Nations Peacekeeping Operation in Cyprus, with additional military personnel from Bolivia, Brazil, Peru and Uruguay also serving with the Argentine-led force. Chile, the fourth largest user of the Panama Canal behind the United States, Japan, and China, took an active leadership role in the Southern Command sponsored PANAMAX exercise designed to guarantee the security of the Panama Canal. The Chileans rapidly deployed a force to Haiti during the recent crisis. We look forward to a growing and cooperative relationship with Chile and its armed forces.

War on Terrorism

Terrorists throughout the Southern Command area of responsibility bomb, murder, kidnap, traffic drugs, transfer arms, launder money, and smuggle humans. Southern Command gains actionable intelligence on these and other terrorist activities that is then used by U.S. law enforcement agencies and our partner nations to disrupt terrorist operations and means of support. To further these efforts, we train, equip, build and exercise partner nation capabilities to control borders, eliminate safe havens, and project government presence. Our primary efforts are in the areas of improving Colombian military capabilities, conducting detention operations, improving interagency cooperation, resetting our strategic architecture, promoting security cooperation, and institutionalizing partner nation professionalism and human rights adherence.

Colombia's Military Capabilities

Southern Command assistance programs are helping Colombia develop the capabilities to achieve security and stability. Military training of Colombian units that are vetted for human rights abuses is a key enabler in their fight. In addition to working closely with the Colombian Ministry of Defense, Army, Navy and Air Force, we developed over the past year a close working relationship with the Colombian Special Operations Command, the 1st Commando Battalion, the Lancero Battalion, and their urban counter-terrorist unit. We assist in providing operational support and developing thorough logistics systems, with a particular emphasis on casualty evacuation. We continue training the Counter Narcotics Brigade and its aviation units. The Plan Colombia helicopters have proven to be a major asset in the fight against narcoterrorism,

and the procedures for coordinating their use have been optimized and institutionalized. As we look to the future, careful consideration should be given to the eventual nationalization of these assets, while maintaining and respecting Congressional intent in their provision. We work on riverine techniques with the Colombian Marines and assisted in the establishment of operationally focused Riverine Combat Elements (RCE). We assisted in infrastructure security planning, and ensured that all systems were in place to resume the State Department-managed Air Bridge Denial (ABD) program. We are working closely with Colombian Military Intelligence to assist them in developing intelligence driven operations. We sent Planning Assistance Teams to support Colombian units in numerous locations throughout Colombia. We helped develop Civil Affairs capabilities that have been well used as the government reestablished its official presence in all municipalities. With funds made available from the original FY 2000 Plan Colombia emergency supplemental, we have helped the Colombian Ministry of Defense institute legal reforms through the creation of a Military Penal Justice Corps (MPJC), similar to our Judge Advocate General's Corps. To provide for the long-term institutional health of the Colombian Army, we assisted them in establishing a Command Sergeants Major Academy to develop a robust non-commissioned officer corps. Finally, drawing on lessons learned in our own operations, we are assisting in Colombian efforts to strengthen interagency cooperation.

Detention Operations

In addition to its work in Latin America and the Caribbean, Southern Command has directly and actively supported the War on Terrorism since January 2002 by operating a

terrorist detention and intelligence operations facility at Guantanamo Bay, Cuba. Intelligence operations at Guantanamo have provided critical information regarding terrorist organizations' leadership, organization, finances, planned attacks, potential attacks, and other specific information that has thwarted terrorist activities. As Guantanamo operations continue, we will improve intelligence exploitation, detainee review and repatriation procedures, and quality of life for service members. We are prepared for our role as host of military commissions.

Inter Agency Cooperation

JIATF-South continues to serve as a model joint, interagency, and multinational organization as it coordinates source and transit zone activities from Key West, Florida. With the proven nexus between terrorists, drugs, and arms trafficking, counter illicit trafficking is becoming an increasingly important expansion of counterdrug efforts. JIATF-South and the Joint Southern Surveillance Reconnaissance Operations Center (JSSROC) successfully merged last July, with a gain in efficiency by concentrating the trackers and planners in one headquarters. In January JIATF-South hosted a successful interagency counter narcotics trafficking conference that included high-level Colombian participation and set the course for future operations.

Responding to Secretary Rumsfeld's guidance to establish a Joint Interagency Coordination Group, Southern Command meets monthly to focus on the War on Terrorism with representatives from the Department of Treasury, Drug Enforcement Agency, Department of State, Department of Homeland Security, the intelligence

agencies, and Department of Defense. The Joint Interagency Coordination Group is also a venue for sharing intelligence and effectively coordinating our regional counter-terrorism efforts. Within the interagency terrorist financial designation process, Southern Command is partnering with the Department of Treasury's Office of Foreign Assets Control to assist in interdicting the flow of capital acquired through illicit activities.

Strategic Architecture

Southern Command serves as a model unified command with modest forward presence and ability to respond regionally. Over the past year we have relocated some of our components and will continue throughout this year. U.S. Army South (USARSO) relocated from Fort Buchanan, Puerto Rico, to Fort Sam Houston in San Antonio, Texas. Special Operations Command South (SOCSO) is in the process of relocating from Roosevelt Roads, Puerto Rico, to Homestead, Florida. This move is in conjunction with the U.S. Navy's decision to leave Roosevelt Roads, which also involves Naval Forces South (NAVSO) moving from that location to Naval Station Mayport, Florida. Southern Command, Northern Command, and Pacific Command successfully agreed to establish a Joint Operating Area (JOA) that gave JIATF-South the area responsibility in the eastern Pacific all the way to the California border. This JOA is just one example of combatant commands cooperating to resolve seam issues. Additionally, Southern Command has established a J-7 directorate for transformation and is establishing a Standing Joint Force Headquarters (SJFHQ) in cooperation with Joint Forces Command. This prototype SJFHQs deployed from the headquarters for the first time to Soto Cano Air Force Base, Honduras, in January and conducted a two week long exercise with full connectivity to

Southern Command in Miami. Overall, these changes in Southern Command's strategic architecture will allow us to prosecute the War on Terrorism in a more effective manner.

Security Cooperation

Southern Command's security cooperation activities expand U.S. influence, assure friends, and dissuade potential adversaries. The overarching goal is to promote regional security and stability through training, equipping, and developing allied security force capabilities that improve competence and professionalism while underscoring respect for human rights. Command programs are also intended to strengthen respect for the rule of law, civilian control of the military, and support for democratic ideals. We do this not only because it is in tune with the highest values of the American people, but also because it is a strategic, operational, and tactical necessity. Security forces must earn the trust and confidence of their people before they can be effective. Only by respecting the law and the dignity of all the citizens they are sworn to defend can security forces hope to gain the respect of those they protect.

We annually coordinate and direct more than 30 legal engagement activities among military counterparts, regional governments, and non-government organizations. Throughout the Southern Command area of operations we have advocated reform of military justice codes and procedures, education on human rights and law of war, and the inclusion of military lawyers in the planning and execution of military operations. Complementing this training are disaster relief programs to teach militaries how to respond to their civilian authorities when disasters occur. *Fuerzas Aliadas Humanitarias*

is the cornerstone of this program and will be hosted by Panama this year. More than 20 nations will participate, including our regional partners.

Beyond disaster relief, New Horizons exercises provide unique and rigorous training opportunities to engineer, medical, and civil affairs units. These activities hone U.S. forces' engineering and medical skills in challenging environments under conditions nearly impossible to replicate in the United States. Last year the New Horizon exercises completed 31 engineer projects consisting of schools, medical clinics, wells, and rudimentary road construction and repair. The 70 humanitarian medical deployments treated more than 300,000 patients. During these deployments, our veterinary teams treated approximately 57,000 animals in varying livestock categories, which contributed significantly to sustaining local economic health. Panama, Belize, Dominican Republic, Grenada, and St. Kitts will host New Horizons exercises this year.

The annual naval exercise, UNITAS, is conducted throughout the region with significant participation by several countries. This year, Peru will host the UNITAS Pacific Phase and the UNITAS Amphibious Phase, while Uruguay is scheduled to host the UNITAS Atlantic Phase in November. Central American nations will host several exercises this year to include Peacekeeping Operations (PKO) NORTH that will focus on strengthening the peacekeeping skills and capabilities of the 25 participating nations. All the Central American countries and the majority of Caribbean nations will participate. We will also conduct PKO SOUTH and Cabañas to strengthen the peacekeeping skills, cooperation, and capabilities of the rest of the region's military forces.

Professionalism and Human Rights

A number of countries in Latin America and the Caribbean have a history of military dictatorships, authoritarian governments, violent internal conflicts and rampant human rights abuses dating back to the 1950s and into the early 1990s. Many countries in the Southern Command area of responsibility are dealing with the legacy of human rights abuses committed during military dictatorships by strengthening judiciary and democratic institutions and by cementing civilian control of the security forces. Since 1996, USSOUTHCOM has conducted the Human Rights Initiative (HRI), "Measuring Progress in Respect for Human Rights," focusing on developing regional standards for human rights programs in the military and security forces. The HRI is a major strategic enabler tool for USSOUTHCOM and is a key component of the Command's Theater Security Cooperation Plan. We also ensure that all units that receive U.S. security assistance are vetted for human rights violations in accordance with the Leahy Amendment.

Requirements

As the War on Terrorism progresses we will increasingly pursue operations of mutual interest with goals that increase interoperability with our allies. We will pool our resources to the extent possible, but we foresee additional threats to U.S. security interests that may require additional resources or the reprioritization of programmed funds. To reinforce success in Colombia we will address the current personnel cap. We also expect an increase in requirements for persistent Intelligence, Surveillance, and Reconnaissance (ISR) and additional stress on our theater communications architecture, as well as a requirement for the renewal of Expanded Authorities legislation.

Colombia Personnel Cap

The current personnel cap limits the U.S. presence in Colombia to 400 military personnel and 400 contractors. We manage the cap on a daily basis, rigorously remain under the ceilings, and frequently must cancel or postpone planned personnel travel to Colombia, request aircraft to reduce crew size, create complicated work-around schedules for aircraft flights, or simply cut back on training. Part of the difficulty lies in the types of personnel that we have counted against the cap, which include, for example, the permanent party military group itself, those in aircraft flying over but not stationed in the country, and personnel who have completed their assignments but have not yet left the country. A review of whether such personnel should be counted would be warranted.

The decision for the Departments of Defense and State to seek an increase in the personnel ceilings is a change from our previous belief that we could continue our programs efficiently under the previous ceilings. The progress made by President Uribe and Colombia have led us to conclude that there is a real opportunity, with only a small increase in U.S. personnel, if we are to achieve our policy goals in Colombia. I would emphasize that we do not seek to change the prohibition on U.S. involvement in combat.

To date the impact of the personnel cap has been small. In the coming year, however, as the Colombian Military conducts full-scale operations across the depth of the country, the personnel cap will begin to have a deleterious effect on the mission. While U.S. personnel will not be directly on the front lines with the Colombian troops, more training and planning assistance at a variety of headquarters is required since a greater portion of

the Colombian Military will be directly engaged on a broader front in operations to defeat the narcoterrorists. We should reinforce success this year rather than constraining ourselves with a cap number that made sense at the beginning of Plan Colombia but has not been adjusted for the current and future situation on the ground. Consequently, the Administration has requested an increase of the personnel cap to 800 military personnel and 600 civilian contractors in Colombia in support of Plan Colombia.

Persistent Intelligence, Surveillance, and Reconnaissance

We conduct varied detection and monitoring (D&M) operations that require a high state of readiness and a joint effort to link multi-intelligence collectors targeted against strategic, operational, and tactical requirements. This melding of organic and national collection resources will improve operations and fulfill the Quarterly Defense Review Transformation requirement for continuous and persistent intelligence, surveillance and reconnaissance (ISR). Southern Command's role in Operation ENDURING FREEDOM includes the employment of national, airborne, ground, and maritime ISR assets that are targeted against regional terrorist groups and transnational support cells. Their combined products create a common operating picture of regional activity that can be shared with our allies as appropriate. Still, the majority of assets available to us are focused on the tactical fight in Colombia and thus unavailable for other missions. A capability to support Colombia and our other areas of concern in the War on Terrorism is essential to gain the situational awareness requirement to disrupt terrorist activity. When sufficiently funded, D&M programs provide a formidable capability to detect and monitor illicit trafficking of arms, drugs and other illegal activities that fuel terrorist groups. Overall,

this capability further provides critical information used by the U.S. and host nations to effectively counter the expansion of narcoterrorism and international terrorism.

Command, Control, Communications and Computers (C4)

Improving C4 architecture for fixed and mobile operations throughout the region has been a consistent priority, as outlined in previous testimonies. The current C4 infrastructure lacks the flexibility to execute the assigned mission due to over-reliance on inadequate commercial communications systems, limited communications bandwidth, and fragmented operations and maintenance support. Consequently, Southern Command is unable to effectively and efficiently support a counterdrug mission simultaneously with another contingency operation such as anti-terrorism, noncombatant evacuation, migrant operations, disaster relief, or defense of the Panama Canal.

Since existing military systems alone are insufficient, it is my intention to transform, expand, and maintain a cost-effective, efficient, centrally managed, and robust infrastructure that supports the Theater Security Cooperation Strategy. This strategy includes counter-terrorism operations, regional engagement, crisis response, and counterdrug missions. We are partnering with the Defense Information Systems Agency and the Department of State's Diplomatic Telecommunications Service Program Office to explore commercial alternatives such as fiber optic communication links. This effort shows promise for improving C4 effectiveness throughout the region.

Expanded Authority

In 2003 and 2004, Congress gave us Expanded Authority to use counter-drug funds for counter-terrorism missions in Colombia because it concluded that there is no useful distinction between a narcotrafficker and his terrorist activity, hence the term narcoterrorist. This link between narcotics trafficking and terrorism in Colombia was also recognized in the National Security Presidential Directive 18 (NSPD-18) concerning support to Colombia. Operations today are more efficient and effective because our expanded authorities allow the same assets to be used to confront the common enemy found at the nexus between drugs and terror. Expanded Authority permits greater intelligence sharing and allows Colombia to use U.S. counterdrug funded equipment for counter-terrorism missions. Expanded Authority from Congress is essential to this command's ability to deal with narcoterrorists. We are requesting that Congress again pass Expanded Authority for Fiscal Years 2005 and 2006.

Reprogramming of \$50 Million

We request congressional support of Department of Defense reprogramming of \$50 million to support Colombia's campaign plan. Along with Expanded Authority and the increased troop cap, this reallocation of funds will synchronize U.S. Government efforts in assisting Colombia at this critical juncture in their fight against narcoterrorism.

Conclusion

I'm proud of the effort the men and women of Southern Command have made over the past year. They have been able to protect our interests in the area of responsibility

while the nation's attention was focused elsewhere, and their dedication and focus has paid off, especially in Colombia where the Colombian government is making real progress against narcoterrorists and criminal groups. These successes, however, may not be enough to stem the growth of radical populism and popular dissatisfaction in some countries where reforms have failed to solve underlying social and economic woes. We continue to work to improve both the capabilities and professionalism of our partner nations' militaries, so they can maintain their own security and can assist in combating common transnational threats. Our partner nation military forces are currently under tremendous stress while simultaneously institutionalizing their roles in democratically elected governments. These forces, if properly trained and equipped, can ameliorate aspects of the struggles many countries face. We will continue to encourage professionalization through what we are doing in Colombia, and through what we are doing throughout the AOR with security assistance, theater security cooperation, and exercises. We will continue working diligently with the interagency to build the coherent long-term policy that will improve the security, and resulting economic and social health, of the entire Americas.

I would like to thank the Chairman and the Members of the Committee for this opportunity and for the tremendous support you have provided this command. Southern Command is a good investment of both your dollars and your trust. I can assure you that the men and women of the United States Southern Command are working to their utmost to accomplish their missions for our great country.

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THE HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

GENERAL JAMES L. JONES, USMC

COMMANDER,

UNITED STATES EUROPEAN COMMAND

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

ON

24 MARCH 2004

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THE HOUSE ARMED SERVICES COMMITTEE

House Armed Services Committee
Written Statement

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VI. CONCLUSION

I. INTRODUCTION

The United States European Command remains fully engaged in protecting and promoting the National Security interests of the United States in 93 countries covering nearly 46 million square miles (Chart 1). Our Area of Responsibility (AOR) is astonishingly diverse and encompasses a full range of human and social conditions. The European Command (EUCOM) actively supports the prosecution of the Global War on Terrorism (GWOT), while simultaneously preparing to implement a strategic transformation that will take advantage of both the opportunities and evolutions in the 21st century international security environment.

The GWOT, unlike any war in the past, demands greater emphasis on closer relationships with friends and allies. EUCOM must remain engaged regionally in order to build upon international relationships and the many institutions which can help manage crises when they occur or, ideally, before they occur. As such, the value of forward basing, forward presence, and focused commitment remains an essential cornerstone of our strategy for the future.

During the Cold War era, U.S. and North Atlantic Treaty Organization (NATO) force structures were primarily focused toward the Eastern borders in order to ensure the territorial integrity of Western Europe against the Soviet Union's conventional and nuclear forces. Fortunately, the Soviet Union and the Warsaw Pact collapsed, as did many of the threats they posed. But the peace expected to emerge with the demise of the Soviet Union and the dawn of a new century has, thus far, failed to materialize. New threats have emerged that are qualitatively and quantitatively different from the conventional and traditional challenges of the past century. The rise of radical fundamentalism in many regions of the world provides the breeding ground for the actions of transnational groups who are unhesitant in their willingness to employ tactics of terror in order to coerce, blackmail,

intimidate, and threaten populations and their sovereign governments. Narco-terrorists use these same tactics to secure their own financial gain and contribute to undermining the social fabric of free societies. Other criminal groups exploit the despair existing in nations beset with the demographic challenges of rising populations, declining resources, limited opportunity, and unstable governments. Transnational groups recognize no traditional political borders, making it extremely difficult for individual nations to effectively defend against the threat on a unilateral basis. Such groups have shown no moral hesitation in imposing their terror tactics against civilian populations or civil structures. Clearly, they represent an unconventional and asymmetric threat to our interests, and to those of our friends and allies. It is to this end that EUCOM is dedicated to a fundamental transformation on a scale not seen since its creation at the end of World War II.

The European Command's 21st century center of gravity reflects the continuing importance of the "Greater Middle East," to include nations in the so called "arc of instability;" the Caucasus states, the Levant, and the "ungoverned" regions of North and West Africa. As a result of U.S. military successes in Afghanistan and Iraq, transnational groups are increasingly denied safe havens in traditional sanctuaries. They are moving into regions where nations already struggle with explosive population growth, resource scarcity, weak national institutions, and ineffective militaries.

EUCOM's greatest contribution to security and stability lies as much in preventing conflict as it does in prevailing on the battlefield. This is accomplished through influence and engaged leadership, and is sustained only through our enduring and visible presence and commitment. The operational environment within EUCOM's AOR continues to evolve in ways that were largely unforeseen and difficult to predict just a few short years ago. Expanding Theater Security Cooperation requirements, an expanding NATO, instability in

Africa and Eastern Europe, and the GWOT largely define ongoing changes and require a comprehensive review of EUCOM's theater strategy. Today's security environment has been fundamentally changed by enemies without territory, without borders and without fixed bases. These realities require us to be able to "see" everywhere and to be able to project power anywhere-quickly. From its geographic vantage point, EUCOM is ideally positioned to engage, disrupt, dismantle, and prevent terrorists from using their lines of communication and methods of resourcing which are critical to their ability to both operate and sustain themselves.

EUCOM's ability to pursue, engage, and win decisively on a fluid and nonlinear modern battlefield will require a very agile and highly responsive force which is properly equipped, well trained, and maintained at a high state of readiness. It should be agile, deployable, and sustainable. EUCOM's Strategic Theater Transformation (STT) Plan, which is a component of the Department of Defense's Integrated Global Presence and Basing Strategy, when approved, will permit EUCOM to transform itself in such a way as to be better able to meet the diverse challenges of this new century. The fundamental objective of our plan is to increase EUCOM's strategic effect through a fundamental realignment of basing concepts, access and force capabilities. In no way should this signal a reduced commitment or interest in our region, but rather a shift in conventional thinking and desire to adopt new methods to better protect our interests in today's international security environment.

NATO, which has been since its inception the fulcrum of transatlantic and inter-European security, remains the preeminent security alliance in the world; but it too is in the midst of dramatic change. The Alliance's renewed commitment and revitalization are already evident by this year's pending expansion from 19 to 26 members, dramatic changes in its command structure, renewed focus on improving capabilities, and participation in global

missions. They represent the beginning of NATO's most comprehensive and far-reaching changes in the history of the Alliance. A transformed NATO, with greater agility, capability, and a new vision for engagement outside its traditional area, will be an essential and more capable partner for the United States. We should welcome and fully support this historic change in the alliance.

The ongoing transformations in EUCOM and NATO are inextricably linked to the challenges inherent in today's international security environment. These simultaneous transformations are mutually supporting and complementary, the synthesis of which produces an effect greater than the sum of its parts. By its leadership and example, EUCOM supports both the Alliance in its transformation as well as NATO member nations undergoing their own internal transformation.

EUCOM's proposed plan is based on the assumptions that the United States:

- Desires to maintain its current position as a nation of global influence through leadership and the efficient and effective application of informational, military, economic and diplomatic power.
- Remains committed to its friends and allies through commitments to global and bilateral organizations and institutions, and supports treaties and international agreements to which it is a signatory.
- Remains committed to a global strategy, which is forward based and composed of forward deployed forces in key areas, which contribute to the first line of defense of peace, stability and order.

- Supports in-depth transformation of its armed forces and basing structure, which is required in order to respond to 21st century threats and challenges.
- Will continue to seek ways to mitigate or offset obstacles posed by 21st century global sovereignty realities through a reorientation of its land, sea, air and space presence.
- Recognizes that the current concept and disposition of U.S. basing within EUCOM may not adequately support either the strategic changes attendant to an expanding NATO alliance, or the rapidly changing national requirements of this area of responsibility.
- Will seek to preserve those assets which are of enduring value to its mission, goals and national interests so long as their location measurably contributes to our global strategy, the NATO alliance, and our bilateral engagements within the theater.

The goal of EUCOM's transformation is to produce a strategic capability that is better able to support the National Security Strategy.

II. UNITED STATES EUROPEAN COMMAND and NATO OPERATIONS

European Command and NATO are currently engaged in numerous operations both inside and outside their traditional areas. The GWOT has challenged peace loving nations to join together to defeat an enemy that has no honor, no state and no traditional military forces. The enemy of the 21st century is the terrorist who, for either ideological or monetary gain, will attack militaries and civilians indiscriminately. EUCOM and NATO's high level of involvement illustrates the important role these organizations play in directly confronting emerging threats.

U.S. EUROPEAN COMMAND OPERATIONS

The European Command is comprised of five components which conduct operations both in-theater and out of theater: U.S. Army, Europe (62,000 uniformed personnel); U.S. Air Forces in Europe (30,000 uniformed personnel); U.S. Naval Forces, Europe (12,500 shore based uniformed personnel; 12,000 additional under the operational control of the Sixth Fleet); U.S. Marine Corps Forces, Europe (150 uniformed personnel); and Special Operations Command Europe (2,000 uniformed personnel).

EUCOM's missions are as wide as they are vast. We extend our operations throughout Greenland, Iceland, Europe, Africa, the Levant, Eurasia, and the Middle East, to include Iraq. At the height of EUCOM's participation in Operation Iraqi Freedom (OIF), more than 54,000 Soldiers, Sailors, Marines and Airmen from EUCOM's components were deployed for combat, or were in direct support of combat operations. In addition to conducting or supporting many bilateral and multinational operations, EUCOM forces also serve in the Balkans supporting NATO's military missions, and actively prosecute the GWOT throughout our theater.

In-Theater Operations

Maritime Intercept Operations (MIO). EUCOM established the Joint Forces Maritime Component Commander (JFMCC), consisting of NAVFLEX SIXTHFLEET Naval assets, in December 2001 for the purpose of conducting maritime interdiction operations in the Mediterranean Sea. In combination with Operation Active Endeavour, JFMCC and NATO forces have hailed 39,500 ships (both U.S. and NATO) in order to ascertain specific information regarding the carrier, its cargo and destination. In addition, they monitored more than 30,000 ships and conducted 45 compliant boardings (by a combination of U.S. and NATO forces). Nations of the western Mediterranean report as much as a 50 percent reduction in illegal immigration over the past year—a reduction directly attributable to this operation.

Liberia. In June 2003, EUCOM deployed Special Operations Command Europe to Liberia as a Joint Special Operations Task Force with 300 Special Operations personnel to coordinate and assist with the evacuation of 133 American citizens and 32 third country nationals. EUCOM responded to the worsening humanitarian crisis by deploying Joint Task Force Liberia, a sea based Joint Task Force of over 3,800 servicemen and women commanded by EUCOM's Southern European Task Force Headquarters. The American presence both offshore and on the ground was a source of confidence and stability that allowed the introduction of a U.S. supported peacekeeping force from the Economic Community of West African States (ECOWAS). The efforts of JTF Liberia went a long way toward mitigating a humanitarian crisis in Liberia and preventing it from becoming a source of regional instability by helping international organizations respond effectively.

Georgia Train and Equip Program (GTEP). Since May 2002, GTEP has provided the Georgian government and its military with a very successful military training program that continues to enhance the Georgians' ability to protect their sovereignty and stabilize the region. By the time its mission is completed in May 2004, GTEP will have trained approximately 2,600 Georgian soldiers. The successful December 2002 transition of this program's lead agency, from Special Operations Forces to U.S. Marine Corps Forces, Europe, highlights the fact that conventional forces can be used for train and equip missions, freeing Special Operations Forces for other missions. EUCOM, in coordination with the Defense Department and the Department of State, plans to continue its military transformation support to this fragile democracy. This effort and other similar security cooperation activities are examples of programs that require small investments but yield enormous dividends in our effort to promote peace, stability and democracy.

Pan Sahel Initiative. This initiative is a new effort to assist Mali, Niger, Chad, and Mauritania in detecting and responding to the migration of

asymmetric threats across and within their poorly controlled borders. SOCEUR leads this program in training and equipping company sized, rapid reaction units, providing them the mobility, communication, navigation, and individual soldier skills essential for border security, internal defense, and counterterrorism efforts. Like GTEP, EUCOM plans to transition the lead for this program from SOCEUR to MARFOREUR in the near future. EUCOM also encourages the Maghreb countries (Algeria, Morocco, and Tunisia) to work more closely on common issues related to fighting terrorism.

Out of Theater Operations

Operation Enduring Freedom/Operation Iraqi Freedom. In addition to our in-theater missions, EUCOM continues to provide essential support to U.S. Central Command (CENTCOM) and the GWOT as a supporting command for Operation Enduring Freedom (OEF). This includes the provision of a U.S. Army MEDEVAC helicopter unit in support of NATO's International Security Assistance Force in Kabul. Furthermore, intelligence capabilities and analysis from both EUCOM and CENTCOM are integrated to address key problem areas along mutual boundaries, to include Iran, Turkey, Syria and East Africa. But perhaps the most important mission with which EUCOM has been involved has been its participation as a supporting command in Operation Iraqi Freedom (OIF).

U.S. Army, Europe (USAREUR). USAREUR deployed over 26,000 soldiers to Operation Iraqi Freedom, including the headquarters and major elements of V Corps, the 1st Armored Division based in Germany, and the 173d Airborne Brigade based in Italy. V Corps led a major element of the ground attack on Baghdad and continues today as the ground force controlling headquarters in Iraq. The night combat jump into Northern Iraq by soldiers of the 173d Airborne Brigade was one of the largest infantry combat jumps since the Korean War. Currently, USAREUR is redeploying the nine separate brigades of V Corps, the 1st Armored Division, and the 173d Airborne Brigade to garrison,

while deploying the 1st Infantry Division and elements of the 21st Theater Support and 5th Signal Command to Iraq.

U.S. Air Forces, Europe (USAFE). USAFE deployed 24 fighter aircraft and support personnel to the Iraqi theater and flew countless air refueling, surveillance and reconnaissance, and long-range strike missions from permanent and expeditionary air bases within EUCOM in support of OIF. C-130 aircraft from U.S. Air Forces in Europe continue to transport vital supplies and equipment bound for Iraq through Europe. Additionally, USAFE provides advanced basing support to both CENTCOM and U.S. Transportation Command at several air bases within the region.

U.S. Naval Forces, Europe (USNAVEUR). USNAVEUR exercised operational control of the USS HARRY S. TRUMAN and USS THEODORE ROOSEVELT Carrier Strike Groups, with 22 ships and 157 carrier-based aircraft. Strike Group aircraft flew over 3,000 combat sorties from the eastern Mediterranean Sea and delivered precision-guided ordnance with Coalition Forces in Northern Iraq. Naval cruisers and destroyers launched 36 Tomahawk Land Attack Cruise missile strikes into Iraq from the Mediterranean, while additional USN units launched missiles from the Red Sea.

U.S. Marine Corps Forces, Europe (MARFOREUR). USMARFOREUR, led by the 26th Marine Expeditionary Unit (MEU), demonstrated its operational agility by conducting an insertion of combat forces into Northern Iraq while deployed in the Mediterranean Sea. Upon receipt of a mission tasking from the CENTCOM Commander, the MEU was inserted from Souda Bay, Greece, into Northern Iraq during a critical stage of OIF where it provided a significant contribution to the combat power ashore and aided significantly in conducting conventional combat operations.

Special Operations Command, Europe (SOCEUR). SOCEUR was directly engaged in both combat and civil military operations in northern Iraq as part of CENTCOM's Joint Special Operations Task Force-North.

Theater Support. EUCOM's success in supporting Operation Iraqi Freedom is directly attributable to the theater support inherent in this geographical location, the men and women who serve in the command, and the infrastructure available. EUCOM's experience in OIF demonstrates the value of the European in-theater and "en route" transportation systems that provide critical power projection capabilities and facilities. There exists no better combination of rail, road, inland river, and air infrastructure systems from which to deploy our combat forces. This superb and mature network feeds some of the largest seaports in the world. Our theater transportation systems proved instrumental in the successful deployment of 54,000 soldiers and 29,000 short tons of supplies and equipment by air, and more than 290,000 short tons of supplies and equipment by ship, rail or barge through the EUCOM theater to Kuwait, Turkey, Israel, Hungary, Romania and many other countries. Seventy percent of all Iraqi theater communications bandwidth and architecture continues to be routed through EUCOM controlled links. Additionally, the German government continues to provide thousands of soldiers, police, and border guard forces to help secure EUCOM's installations, housing areas and communities.

EUCOM's medical facilities continue to provide specialized recuperative and rehabilitative care to wounded and injured U.S. and allied soldiers from the Iraqi and Afghanistan theater of operations. To date, more than 9,280 patients have received treatment at Landstuhl Regional Medical Center, Germany and 1,380 received care at the Expeditionary Medical Facility/Fleet Hospital in Rota, Spain, prior to its redeployment in June 2003.

Given the multiplicity of deployment infrastructure and nodes, our European operating bases provide for enhanced deployment infrastructure which complements our national structures. They also have the advantage of being an "ocean closer" to the regions where our strategic interests will be focused: the greater Middle East, Russia and Ukraine, and Africa.

Reserve Component

EUCOM is reliant upon the contributions of the Reserve Component. Presently, there are over 4,800 Reserve and National Guard personnel deployed in-theater conducting a wide range of critical missions. The Reserve Component is currently executing the entire Bosnia mission and almost two-thirds of our forces in Kosovo are reservists. Additionally, a large percentage of our intelligence personnel in EUCOM are activated reservists. Our reliance on the Reserve Component is most acute in the intelligence, counterterrorism and logistics fields.

Since the beginning of our operations in the Balkans, approximately 30,000 Reserve Component personnel have deployed to the region and have performed admirably. With the approaching successful completion of the military tasks mandated by the Dayton Peace Accords, we will continue to reduce our forces in SFOR. This will also reduce the overall requirements for the Reserve Component in our theater.

NORTH ATLANTIC TREATY ORGANIZATION OPERATIONS

History will show 2003 to have been a watershed year for the NATO Alliance. Contrary to some who claim that the best years are behind it, NATO demonstrated this past year its new vision for confronting security threats in a global context. Following the guidance of the 2002 Prague Summit, NATO began a fundamental transformation program at a pace that has surprised even the most cynical observers. During 2003 alone, the Alliance conducted no less than five major and highly successful operations, most of them simultaneously.

Stabilization Force (SFOR). In Bosnia Herzegovina, SFOR made significant progress toward completing its military tasks under the Dayton Peace Accords. With the Bosnians making important progress in reforming their military and disarming, the Alliance has continued its drawdown of forces. As of 1 April, the U.S. troop contribution will be 1,050 of the

nearly 10,000 troops currently in SFOR. Discussions are currently underway with the European Union to transition to a policing mission by year's end.

As the SFOR mission draws to a conclusion, U.S. numbers are projected to decrease to a smaller number of personnel to support a stay-behind NATO HQs element, to maintain a "warm base" (TF Eagle), and to continue our successful Persons Indicted For War Crimes (PIFWC) efforts. Recently, our international operations to apprehend PIFWCs were fundamentally restructured. PIFWC detention operations continue to be one of the great under recognized success stories of our mission in the Balkans. Of the more than 120 people indicted by the International Criminal Tribunal for Yugoslavia, 93 have appeared before the Tribunal, 21 remain at large today, and the remainder have died from a variety of causes.

Kosovo Force (KFOR). NATO's KFOR continues in its mission to provide security in the region, as well as in assisting the United Nations Interim Administration in Kosovo. NATO's troop strength was reduced to 17,730 in 2003 with U.S. forces contributing nearly 12 percent (2,010) of the personnel. NATO will conduct Periodic Mission Reviews to assess future force requirements in Kosovo. It may be possible to transition to a Deterrence Presence profile in KFOR during 2004, which may allow the U.S. to reduce troop strength to around 800, but this is a decision for the NAC.

Operation Concordia. This operation in the Former Yugoslav Republic of Macedonia, which was the European Union's (EU) and NATO's first collaborative effort, came to a successful conclusion in 2003. The success of this mission demonstrated that NATO-EU military collaboration in an embedded EU planning cell at Supreme Headquarters Allied Powers Europe is a good thing.

International Security and Assistance Force (ISAF). NATO began its most ambitious operation, ISAF in Afghanistan, in response to a United Nations Security Council Resolution in August 2003. The deployment of nearly 6,000 NATO and non-NATO troops to Afghanistan represents the first combined force

global deployment for the Alliance. On 30 December 2003, ISAF expanded its mission and assumed command of the German-led Provincial Reconstruction Team (PRT) in Konduz, a province in northern Afghanistan. The North Atlantic Council has subsequently approved a Concept of Operations (CONOPS) for the gradual expansion of the ISAF mission to include a greater number of PRTs. A full Operations Plan, based on this approved CONOPS, was submitted to the International Military Staff at NATO Headquarters in late February 2004. NATO's assumptions of this mission, the deployment of these forces to Afghanistan, and ISAF mission expansion in the near future are all physical manifestations of the Alliance's recognition of its responsibility to engage in security challenges outside its traditional area.

Operation Active Endeavour. This is NATO's maritime interdiction operation in the Mediterranean Sea and is contributing significantly to the GWOT. Beginning in 2001 as part of NATO's Article V response to the 11 September 2001 attacks, Operation Active Endeavor has produced the most comprehensive maritime surveillance picture in the Mediterranean in years and has proven to be extremely successful in interdicting criminal and terrorist activities that use the Mediterranean as a sea line of communication. It is conceivable that Operation Active Endeavor's maritime interdiction operation could be extended into the Black Sea.

Operation Display Deterrence. In February 2003, NATO conducted Operation Display Deterrence, an Article IV mission, in response to Turkey's request for NATO's assistance to deter an attack from Iraq.¹

Operation Iraqi Freedom (OIF). In addition to NATO missions, the Alliance provided assistance to the member countries that deployed forces to Iraq in support of OIF. NATO provided assistance to the lead nation, Poland,

¹ Article IV states that "The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened."

as well as to Spain, Hungary, other NATO Nations and several non-NATO members that deployed forces for this important mission.

Air Policing. Finally, NATO is planning for a modernized and expanded air policing and air defense mission, the goal of which is to extend the Alliance's air defense coverage to member and soon-to-be member nations who currently do not have the capability to provide it for themselves. Regardless of the eventual course of action, NATO should adopt a comprehensive solution that covers all 26 member nations in the defense of their airspace and fulfills the Alliance's Article V responsibilities.

Operationally, NATO is the busiest it has been in its 50-plus year history. The Alliance has deployed more than 22,000 personnel to the Balkans, over 2,600 to Operation Active Endeavour, and nearly 6,000 to Afghanistan under the NATO flag. While not a NATO mission, NATO member nations have also deployed more than 17,000 personnel in Iraq in support of Operation Iraqi Freedom. Training, interoperability and past operations through the Alliance enhanced the coalition's mission.

III. UNITED STATES EUROPEAN COMMAND AND NATO TRANSFORMATION

In light of the ever-evolving international security environment and newly emerging threats, both the European Command and the NATO Alliance have embarked upon a process of comprehensive transformation to better prepare both organizations to face today's transnational threats. The current strategic environment demands we find ways to maximize our effect, working both unilaterally and with our allies. We are participating in a deliberate process requiring study, in-depth consultation and focused prioritization. As we transform we will continually review our progress and the metrics by which our requirements are determined. Our transformations must be tailored to meet not only the threats of today and tomorrow, but those we will confront in the years ahead. EUCOM and NATO transformation efforts are inextricably linked and will have complementary and reinforcing effects.

U.S. EUROPEAN COMMAND TRANSFORMATION

Three Areas of Focus. The European Command was extremely active in 2003 as it contributed to the Global War on Terrorism, to include providing support for the war in Iraq, and engaging with our allies to improve security cooperation efforts, and working a number of bold new initiatives to transform our presence in the theater. Over the past year, EUCOM has emphasized three areas important to transformation. First we continued the reduction and realignment of "legacy" infrastructure, which was better suited to support Cold War requirements. Secondly, we reassessed the manner in which our forces are deployed and assigned to this theater from the United States. This included the reorientation of our forces toward the southeast and south to more suitably reflect EUCOM's expanding strategic responsibilities. In addition to being joint, agile, sustainable, and highly mobile, future forces operating in our region will be a combination of both permanently based and rotational units. Finally, EUCOM has adopted operational concepts which capitalize on innovation, experimentation, and technology in order to develop a force that can achieve a greater strategic effect. Simply put, the traditional military principle of "mass" no longer equates to commitment or capability. We will continue to re-tailor our forces based on an expeditionary model much better suited to meet the demands of the 21st Century.

Basing Concepts. Essential to achieving this strategic effect are the development of basing and force manning models that develop the principles of an expeditionary philosophy. To achieve the first, we envision a series of smaller forward operating bases (FOBs) and forward operating locations (FOLs) strategically located throughout the AOR. Such bases will be anchored to several existing Joint Main Operating Bases (JMOBs), which are of enduring strategic value and remain essential to theater force projection, throughput,

and sustainment. Pre-positioned war reserve material at Joint Prepositioned Sites (JPS) will augment this basing plan by allowing units to "fall in" on essential equipment that will capitalize on the strategic advantage of being an "ocean closer" to engagement, influence, and conflict. JPS also present the added benefits of significantly reducing the requirements placed upon an already overburdened strategic transportation system. They allow for the extension of the range and effect achievable by FOBs and FOLs through augmentation with the logistical support of selected prepositioned sites. This new basing plan, together with the strategic positioning of JPS, will help effectively posture our forces, in order to counter current and future threats.

Operational Concepts. EUCOM is working with the Office of the Secretary of Defense (OSD), the Joint Staff, the service secretariats, the military departments, and EUCOM's service components in developing a viable plan to meet the security challenges of the 21st century. Changes proposed in our transformation plan represent a dramatic shift in EUCOM's operational concepts in support of an overarching global strategic realignment of U.S. forces. The United States' level of interest, commitment, and military capability resident in this theater should no longer be measured exclusively by the number of troops permanently based in Europe. The new measure will be based on strategic effect by the effective application of the combination of both forward basing and rotational presence.

Efforts to realign our basing concepts and our force capabilities will revolve around implementing a strategy more reflective of the new security environment and our national interests. Power projection platforms and operating bases will be located in such a manner as to compensate for finite limitations of strategic air- and sea-lift assets, and they will capitalize on the utility of existing bases, and our ability to pre-position needed military equipment and stocks. The analysis and planning leading to the

transformation of EUCOM's strategic footprint will yield important results in future years as we continuously refine and implement the Strategic Theater Transformation plan.

As EUCOM shapes the theater with forward operating bases and forward operating locations (FOBs and FOLs) to facilitate the projection of U.S. military power within and beyond the AOR, we will maintain leadership within NATO and across the AOR that is credible and capable. This is a function of both force positioning and the provision of transformed, expeditionary, joint capable, and ready forces. These forces will be characterized by increased deployability and tremendous agility, responsive across the full spectrum of joint and combined operations. The presence of a genuinely transformational force stationed in Europe will measurably enhance EUCOM's capacity to energize NATO's transformation and to garner support among NATO allies for an expanded role in the GWOT. It will demonstrate our commitment to them through usable, transformed, and versatile military forces.

Efficient Basing Grafenwoehr. A pillar of our transformation is our world class Joint Expeditionary Training Center at Grafenwoehr and Hohenfels in Germany. Situated in the heartland of Europe, this "center of excellence" places the United States on the "high ground" to lead a transformed NATO in the GWOT. It is in close proximity to our NATO partners, NATO aspirants, and Partnership for Peace (PfP) nations and consists of the finest set of firing ranges and maneuver training areas available to U.S. and NATO forces today.

In particular, the Center's six sophisticated, urban training sites are embedded within a sizeable maneuver area with realistic non-English speaking civilians representing diverse ethnic groups which more aptly simulates the environs in which our soldiers will operate. Training in the tactics, techniques and procedures for in urban warfare, stability operations, and other GWOT related operational requirements greatly enhances our interoperability with our NATO partners. The Grafenwoehr expeditionary

training site has been instrumental in training our forces for a variety of combat and peacekeeping tasks essential to our success in the Balkans, Liberia, and the GWOT, most notably in Iraq. Further, as a JMOB, the training center provides a world class power projection platform, capitalizing on the advanced European transportation infrastructure and existing status of forces agreements to deliver forces to contingency areas through EUCOM and into the CENTCOM AOR.

As we engage in our transformation efforts, we must be mindful of the impact these actions will have on our most important asset - our people. EUCOM is accountable to service members and their families, from whom much has been asked, and who have sacrificed greatly as the theater posture is adjusted. Regardless of the course of action that is ultimately selected, we will implement reforms in a manner that takes into account the quality of life of our families, both military and civilian alike.

NORTH ATLANTIC TREATY ORGANIZATION TRANSFORMATION

NATO Command Structure. The Alliance, while extensively engaged in international security matters, is also simultaneously undertaking the most significant transformation in its history. At the Prague Summit in November 2002, NATO members agreed to undertake many significant changes. The first of these was the streamlining of the NATO Command Structure. During this past year, the Alliance deactivated Allied Command, Atlantic; activated the Allied Command, Transformation (ACT); and renamed Allied Command Europe as Allied Command, Operations (ACO). Additionally, NATO identified 12 subordinate regional headquarters for eventual deactivation, a process that will occur over the next several years, but one that is already underway. The last significant change to the NATO Command structure will be the activation of the Alliance's third joint headquarters, Joint Headquarters West (JHQ(W)) in Lisbon in March, 2004, which will serve as the headquarters for a sea-based combined joint task force. This headquarters, along with

Joint Headquarters North in Brunssum, The Netherlands, and Joint Headquarters South, Naples, Italy, will exercise command and control over the NATO Response Force on a rotational basis.

NATO Response Force (NRF). Perhaps the most important initiative emerging from the Prague Summit was the decision to create the NRF, a truly transformational capability that will give the Alliance significant new military capabilities. For the first time in its history, NATO will have a trained and certified, standing, integrated force of sea, land, air, and special operations components under a single commander. The Very High Readiness element of the NRF will have the capability to begin deployment within five days and will be able to sustain itself for up to 30 days.

NATO inaugurated the "proof of concept" initial capability of the NRF on 15 October 2003 and held its first live field training exercise, Allied Response '03, in November. The exercise involved over 1,000 personnel, 21 aircraft, and three ships from 12 nations, demonstrating the interoperability and expeditionary capabilities that exist today.

The first two NRF rotations are purposefully designed to be smaller and more limited in scope in order to facilitate the development of necessary doctrines, training and certification standards, operational concepts, and readiness reporting criteria and systems.

The NRF will achieve Full Operational Capability no later than October 2006 and will provide NATO with a capability of responding with a military force during the "Deterrence Phase" of a developing crisis. This force will have a range of operational capabilities that can be used across the spectrum of conflict - rapidly and sequentially. While the NRF will have the capability for high intensity operations if required, it will also be available to conduct humanitarian operations, peacekeeping/peace enforcement, and forcible entry operations. It will also be capable of conducting simultaneous operations.

The creation of the NRF is significant beyond the fielding of an important new military capability. It represents a manifestation of the Alliance's commitment to change in order to better confront the emerging threats of this new century. In creating this force, the Alliance advanced the NRF from concept to physical reality in less than a year. Such rapid and comprehensive change is virtually unprecedented in the Alliance, and provides a basis for increased optimism for the future.

While challenges in the area of CJSOR shortfalls and defining the best command and control structure currently exist, it is clear that the NRF is the centerpiece for Alliance Military Transformation and operational capability in the new security environment. The NRF is truly the transformational vehicle for NATO's military capability in the 21st century, and is worthy of our most focused support.

Statement of Requirements. Another key initiative that will likely pay an important dividend is the full definition of NATO's military requirements for the 21st century. This will allow member nations to base the construction of their own force structure on what is needed to support the Alliance. This Statement of Requirements will go a long way toward ensuring the Alliance's transformation in the future.

NCO Development Program. The final major initiative emerging within the Alliance during 2003 was the creation of an NCO Development program and the establishment and installation of the first senior noncommissioned officer for Allied Command, Operations. This position was created in order to provide NATO members, invitees, and partner nations with a resource to transform and rebuild their own noncommissioned officer corps and enlisted force, should they choose to do so. The many and diverse changes in NATO signal a tectonic shift that has already contributed significantly to our mutual security interests.

Partnership for Peace (PfP). NATO is also reexamining a number of programs related to its numerous bilateral relationships. It is only appropriate that I mention that this year marks the 10th anniversary of the NATO-led PfP Program. This highly successful program has produced seven new NATO members who will accede into the Alliance this year. An example of how the relationships formed in PfP have paid great dividends for both the Alliance and the U.S. is the ongoing use of important facilities in several PfP countries in the GWOT. Now is the time to seek a revitalization of PfP. At the core of current NATO thinking on PfP adaptation is an interest in refocusing it both geographically and functionally, shifting geographical emphasis to Central Asia, the Caucasus, and the Mediterranean Dialogue nations and shifting functional emphasis to institution building, reform, and interoperability.

PfP's transformation cannot be achieved in isolation from Alliance transformation objectives and processes, U.S. national security priorities, Allied Command Operations' objectives, and the national and regional security priorities confronting nations today. Refocusing PfP on the new missions, new tasks, and new capabilities of the Alliance in response to new threats challenging the international community is critical to its successful evolution. Any PfP adaptation should reduce the capability and interoperability gap between the Allies, increase the availability of "useable forces" and strengthen potential coalition military capabilities. NATO's core objective is to establish in PfP the appropriate focus, priorities, exercises, and supporting activities to ensure that it produces operationally effective partners for NATO-led Crisis Response Operations and NATO Response Force actions.

NATO-Russia Interoperability Program. This program, initiated in May 2003, has changed the character of the overall traditional NATO-Russia military-to-military program. Focused on the objective of establishing

permanent interoperability, NATO and Russia have implemented 21 activities in 2003 and 35 more are scheduled for 2004. Logistics, strategic lift, and theater missile defense activities will also be included in the focus of work with Russia this year. Russia has returned to PfP and NATO welcomes a renewed relationship under development with the Russian General Staff and its Main Operations Directorate.

NATO-Ukraine. Another important bilateral affiliation is the NATO-Ukraine relationship. Ukraine's progress in the implementation of its Membership Action Plan was noted by the Foreign and Defence Ministerials in Brussels in December, 2003. The strategic relationship with Ukraine is a central focus of the Allied Command for Operations. Ukraine's role in the Partnership for Peace program, troop contributions to KFOR, and its troop commitments to Operation Iraqi Freedom are significant and are to be commended.

NATO's leadership has laid the groundwork for its successful transformation. The clear military guidance given at the 2002 Prague Summit has set the path. Some of these initiatives are as "simple" as opening dialogues and establishing agreements. Other initiatives come with a price tag. It is incumbent upon the Alliance to ensure the necessary resources are applied to make concepts realities.

IV. REQUIREMENTS FOR STRATEGIC IMPLEMENTATION

The quality of EUCOM's infrastructure has a profound impact on all operations, training and security cooperation activities, as well as the quality of life of service members. Given this fact, and the current state of our facilities, infrastructure investment and maintenance is the most critical funding requirement. Key theater investment requirements must be met for infrastructure investment, family housing, "en route" infrastructure, anti-terrorism force protection, theater Command, Control, Communications and

Computers (C4) modernization, and Intelligence, Surveillance, and Reconnaissance (ISR) requirements, as well as Quality of Life programs.

Theater Infrastructure

Our most important program in U.S. Army, Europe is Efficient Basing Grafenwoehr, which focuses on structuring forces and basing facilities to be best postured for training and responding to current and emerging threats in the greater Middle East and Africa.

Efficient Basing Grafenwoehr is an initiative to enhance readiness, gain efficiencies, and improve the well being of 3,500 soldiers and 5,000 family members by restationing a brigade combat team from 13 installations in central Germany to a single location at Grafenwoehr, Germany. This initiative began in earnest with the approval and appropriation of \$25 million for planning and design in fiscal 2001; construction began in fiscal 2003 with appropriation of \$69.9 million and was followed by \$88.1 million in fiscal 2004. An additional \$77.2 million is budgeted for this program in fiscal 2005. It is our intent to complete the program in fiscal 2006 at a total cost of \$629.2 million. This major program supports the future strategic footprint in the theater and will maintain the Grafenwoehr, Hohenfels, and Vilseck areas as key installations as part of a future JMOB. This "world class" and unique training facility located in southern Germany offers realistic field training opportunities that have given United States forces an incomparable advantage in combat operations over the last two decades.

In fiscal 2003, EUCOM identified 13 installations in the Giessen and Freiberg area for closure. As this process concludes in 2005 and these 13 bases are returned to the host, it is imperative to keep the Efficient Basing Grafenwoehr program intact and on track. Given its enduring nature as a JMOB, the planned improvements and enhancements to facilities and

infrastructure at Grafenwoehr will be central to all potential manifestations of EUCOM future basing strategies.

The return of Rhein Main Air Base to German authorities, scheduled for completion in 2005, gives further impetus to the continuing need for a Military Construction program designed to upgrade the operational capability at both Ramstein and Spangdahlem Air Bases. These upgrades to vital theater transportation nodes are essential for EUCOM to be able to sustain the level of strategic throughput required to support OIF and other global contingencies and operations.

U.S. Air Forces in Europe is also continuing its efforts to consolidate its geographically separated units throughout the theater at its enduring, major operating bases. Similarly, U.S. Naval Forces Europe is proceeding with its recapitalization plan for Naples, Sigonella and Rota. In coordination with U.S. Special Operations Command, EUCOM is exploring potential joint basing options for the Special Operations Forces stationed in-theater. This will provide EUCOM greater crisis response capabilities, enhance joint training opportunities, and more effectively position assets for use in likely areas of employment. Joint basing will become a way of life throughout the European theater. This concept will continue to be developed as our transformation plan moves forward.

EUCOM appreciates the efforts of Congress to provide for the sustainment, restoration, and maintenance of existing facilities, as well as for new military construction. The very successful use of the "build-to-lease program" to recapitalize family housing throughout the theater has substantially decreased our military construction requirements, but the need for the renovation of existing housing still accounts for almost 30 percent of EUCOM's request for such funding. We will not invest resources in housing we anticipate closing in the near future except for ensuring maintenance and QOL standards.

"En route" infrastructure for mobility forces passing through this theater remains important for U.S. global operations. EUCOM continues to manage this requirement closely in partnership with CENTCOM and the U.S. Transportation Command through the European En Route Infrastructure Steering Committee. The Committee is seeking innovative solutions to identify and rectify potential shortfalls in order to provide the flexibility and capacity required to support any mission to any location within or through this theater. EUCOM's goal is to co-locate NATO infrastructure capability at bases where there is already a U.S. presence when it makes good sense to do so. By ensuring that U.S. and NATO infrastructure programs are coordinated and complementary, an overall reduction in construction costs to both the U.S. and the Alliance can be achieved, while efficiency and effectiveness of operations are simultaneously increased.

Family Housing

EUCOM has begun to make the significant investments needed over the next decade to enhance our support infrastructure and to take care of our people. Service members and their families see the positive trends in infrastructure and are grateful to Congress for providing the funding needed to make this possible. However, a great deal of the theater's infrastructure remains inadequate and too many service members continue to live and work in dilapidated facilities spread over inefficient, geographically separated installations.

The well-being of our military families is linked to readiness, retention, reinforcement of core values and mission accomplishment. The quality of work and the on time completion of the single and family housing renovations are impressive. The DoD-wide goal is to eliminate substandard housing by 2007. While the U.S. Naval Forces Europe will meet this goal, the Air Force in Europe and the Army in Europe are projected to complete the goal by 2009. Funding to accomplish this for service members and their families

continues to be a critical element in attracting and retaining the high caliber personnel who make the U.S. military the best in the world.

Force Protection

EUCOM continues to enhance its Force Protection posture through physical site improvements at its installations and improved intelligence operations with coalition partners and law enforcement agencies. Our emphasis on public awareness, training, physical security upgrades and formal agreements with U.S. State Department clearly delineates force protection responsibilities for Defense Department personnel throughout the theater.

During the past year, EUCOM's service components have made considerable improvements to their overall force protection posture. U.S. Naval Forces, Europe was able to employ waterside barrier systems at their primary ports. The Department of the Army funded seven Large Vehicle Cargo Inspections Systems for U.S. Army, Europe. U.S. Air Forces in Europe successfully obligated \$14.2 million in Defense Emergency Relief Funding for force protection projects. In addition, EUCOM received \$3.1 million from the fiscal 2003 Combating Terrorism Readiness Initiatives Fund (from the Chairman of the Joint Chiefs of Staff) to meet emergent antiterrorism needs at several installations. It is imperative we continue to adequately resource these critical force protection manpower and security requirements to enable EUCOM to meet the many challenges of the future and to effectively protect our personnel and facilities.

Theater Command, Control, Communications

and Computers (C4) Modernization

Network-Centric Warfare and Information Superiority operations in EUCOM's Network Battlespace require continued progress in C4 modernization. We will embrace those advances in C4 capabilities derived from Department of Defense-sponsored joint programs such as Teleport, Global Information Grid Enterprise System and the Mobile User Objective System. With Congress' help,

focused attention on single integrated strategic and tactical architectures, DoD programs, and our own strategic transformation initiatives, EUCOM can provide the requisite networks needed to improve interoperability.

Intelligence, Surveillance and Reconnaissance (ISR)

EUCOM continues its work to establish an integrated intelligence, surveillance, and reconnaissance capability to increase the likelihood of detecting, tracking and interdicting asymmetrical threats. EUCOM needs an increase in Intelligence, Surveillance, and Reconnaissance (ISR) assets—from indications and warning to battle damage assessment—coupled with more robust analytical resources, to prosecute the GWOT and to provide "forward homeland security." Improved collection capabilities for Joint Task Force commanders and multinational forces should include broad area search and surveillance platforms with extended loiter capability that are both survivable and stealthy. This "persistent ISR" must have the ability to continuously gather intelligence from the modernized signals used in global networks, as well as a capability to collect electro-optical, infrared and radar imagery.

Interoperability is crucial to leverage the information collection of NATO and non-NATO partners and to augment Theater human intelligence capabilities with those from the Department of Defense and the Central Intelligence Agency. Sufficient capabilities in this regard are a major focus of the EUCOM Integrated Priorities List and the Joint Quarterly Readiness Review reports.

As EUCOM continues its transformation, there will be an increased requirement for theater intelligence assets and national technical means to acquire information across all intelligence disciplines. EUCOM is appreciative of Congress' continued support of its intelligence requirements. We will invest funding in defense intelligence transformation efforts and programmatic shortfalls in intelligence core mission capabilities. Our highest intelligence priority remains having sufficient numbers of well

trained personnel with human intelligence and language expertise, in order to support our counterterrorism analytical efforts.

Quality of Life Programs

Our most precious resources, service members and their families are our number one combat multiplier. The excellence of our force is the direct result of our concentrated and sustained commitment to their quality of life. Our military communities must be resourced to provide a strong and predictable capability to support the necessary infrastructure, housing, schools, health care, child care, family support and community services needs of service members and their families.

We urge Congress to favorably consider three Quality of Life projects (QOL) that support Efficient Basing Grafenwoehr; construction of the elementary school (\$36.2M), Vilseck High School renovation (\$9M), and the Dispensary Dental Clinic (\$13M).

In our QOL strategy, we stress that our forward deployed forces, their spouses and children deserve a fair compensation system, good places to live, quality educational opportunities, meaningful work, challenging off-duty opportunities, and access to quality health care. We are aggressively pursuing a series of initiatives designed to help improve the employment and career educational posture for our families. Chief among them is the continued improvement of educational opportunities for our family members and efforts to enhance spouse career development opportunities.

The quality of DoD's dependent education programs ranks very high in determining the QOL of our service members and our civilian personnel. We are very proud that this system is recognized as a benchmark for other public school systems. EUCOM is grateful that Congress provides the support to enrich our children with such great opportunities. These schools, with nearly 48,000 students, need your continued support and funding to ensure high educational standards are maintained.

V. UNITED STATES EUROPEAN COMMAND STRATEGIC RESOURCES

Theater Security Cooperation (TSC). Within EUCOM, we have a variety of resources, programs, and policies available to aid us in developing and implementing our TSC strategy. The value of these strategic resources cannot be overstated. Our TSC implementation plan is derived from the Secretary's Security Cooperation Guidance and is specifically designed for our theater. Security cooperation builds and nurtures relationships that protect U.S. strategic interests, enhance allied and "friendly" capabilities for self-defense and coalition operations, and provide for peacetime and contingency access and "en route" infrastructure.

Since 11 September 2001, the vast majority of the 93 nations in the EUCOM AOR have offered or provided intelligence, basing access, over-flight rights, forces, and equipment, as well as other forms of support, to our efforts in the GWOT. The degree of support EUCOM received from our allies is directly related to the effort and attention given to the security cooperation program.

EUCOM's strategic vision is best achieved in concert with allies, partners, and friends. Security cooperation efforts in-theater include working with many nations throughout the AOR in a variety of programs. We are increasingly working in Africa to improve intelligence, peacekeeping capabilities, and overall regional stability. We are increasing military cooperation with Russia, and developing new relationships with countries of the Caucasus and Caspian regions. These efforts have protected and strengthened important U.S. economic and security interests, while assuring our European allies that the U.S. remains committed to European security and to the alliance.

Within our Security Cooperation Strategy are several security assistance programs that are vital to implementing foreign policy guidance and attaining national security objectives. They promote interoperability

with U.S. forces and help build professional, capable militaries in friendly and allied nations. EUCOM supports military security cooperation in partnership with 43 Offices of Defense Cooperation and 72 Defense Attaché Offices. EUCOM's chief programs include:

- **Foreign Military Financing (FMF)** provides critical resources to assist nations without the financial means to acquire U.S. military goods, services, and training and access to U.S. expertise in defense restructuring and management. It is an essential instrument of U.S. influence.
- **International Military Education and Training (IMET) and Expanded IMET (E-IMET)** provide educational opportunities emphasizing and reinforcing civilian control of the military and promote domestic stability in a region where armies are often the principal organizing institution in society. These are some of the most prominent and effective tools the U.S. possesses to advance the principles of responsible governance, to provide stability to newly-formed democracies, and to imbue militaries with the importance of the civil-military relationship. IMET also enables military-to-military cooperation and interoperability, which enhances our ability to assemble and operate as part of a coalition.
- **Foreign Military Sales (FMS)** demonstrate the continued primacy of Trans-Atlantic defense relationships to U.S. security interests. Foreign Military Sales encourage interoperability between forces within EUCOM's area of responsibility, help modernize the militaries of new friends and partners, and assure a strong U.S. presence in the development and implementation of the Prague Capabilities Commitment.
- **Joint Combined Exchange Training (JCET)** exercises are small, low cost and low visibility exercises that are essential to keeping

regionally aligned Special Operations Forces trained in mission essential tasks, and are an indispensable tool that enhances EUCOM's Theater Security Cooperation Strategy. JCETs are uniquely tailored with personnel (ranging from 12-250) who possess certain skill sets, along with special equipment that is focused on a particular region to accomplish a prescribed mission or task. Special Operations Command Europe coordinates the JCET program for EUCOM. We have conducted as many as 50 JCET exercises in a single year. This year we plan to conduct 30. JCET events focus on the GWOT and enable the U.S. to build the intelligence required to find and fix terrorist targets.

Other important aspects of our Theater Security Cooperation strategy are the training and educational programs that are available through the George C. Marshall European Center for Security Studies; the Africa Center for Strategic Studies; the Near East-South Asia Center for Strategic Studies; the NATO School; the African Contingency Operations and Assistance Program.

- **The George C. Marshall Center** continues to be one of EUCOM's most important security cooperation assets for achieving U.S. goals and objectives with other nations. The Marshall Center mission is to create a more stable security environment by advancing democratic defense institutions and relationships, promoting active, peaceful, security cooperation, and enhancing enduring partnerships among the nations of America, Europe, and Eurasia. The Center is crucial to building trust and confidence with the civilian and military leaders of more than 50 nations within our AOR. To date, over 3,000 graduates and 10,553 non-resident participants have been influenced by the Center, allowing the United States to build successful coalitions in the GWOT. More than 169 graduates of the Marshall Center hold key positions as ministers of defense, service chiefs, cabinet officials, ambassadors,

flag officers, and parliamentarians. This growing network is an investment that is reaping valuable dividends in stability, security, and cooperation.

- **The Africa Center for Strategic Studies** continues to provide a series of seminars, symposia, conferences, and outreach programs designed to promote stable governance and democratic values in the African defense and security sectors.
- **The Near East-South Asia Center for Strategic Studies** conducts executive and senior executive seminars to foster professional defense planning and the function of a military establishment in a pluralistic society. Israeli, Tunisian, Algerian, Moroccan, and Mauritanian military personnel participate.
- **The NATO School** is a EUCOM-supported activity in Oberammergau, Germany, under the operational control of the Allied Command, Transformation. Its primary mission is to conduct courses, training and seminars in support of NATO strategy and policy, including cooperation and dialogue with military and civilian personnel from non-NATO countries.
- **The African Contingency Operations Training and Assistance Program (ACOTA)**, formerly known as the African Crisis Response Initiative (ACRI), is a Department of State program supported by EUCOM. The program develops indigenous military trainers and equips African national militaries to conduct peace support and humanitarian relief operations. The program's goal is to increase the capabilities of these militaries in areas such as human rights, their interaction with civil society, international law, military staff skills, and small unit operations. Elements of a Ghanaian Brigade, which completed staff training last year, is currently deployed to the Congo where it is

currently participating in a peacekeeping operation. As additional countries in Africa receive training under the ACOTA program, regional member nations will acquire new capabilities to enhance regional stability. This year Senegal, Botswana, Zambia, Mali, Malawi, Benin, and Mozambique are scheduled to participate in the ACOTA training program.

State Partnership Program. This program assists partner nations in making the transition from authoritarian to democratic governments. This program, administered by the National Guard, matches emerging democracies in the EUCOM theater with partner states in the U.S. There are currently 23 U.S. states partnered with 21 foreign nations. The State Partnership Program has been so successful that DoD has approved establishing new partnerships and is funding an expansion of the program to Africa, beginning with South Africa and Morocco. Although the challenges faced by African nations differ considerably from those of Eastern Europe, many are ready for the opportunity that this program provides. For a modest investment, candidate nations receive access to the expertise of an entire American state government infrastructure, from public health to wildlife management. The impact is inspiring.

Interagency Coordination. Today's asymmetrical threats demand a new emphasis on Interagency Coordination. Coordination among U.S. government agencies, especially those with skills in law enforcement and financial asset investigation, along with allied forces, nongovernmental and private voluntary organizations, and regional and international organizations is vital to our strategic efforts in our theater. As the security challenges facing our nation grow in complexity and diversity, there is an increasing requirement to bring together different skill sets to better inform leaders and establish new perspectives so that our capabilities can be maximized to their greatest potential.

Joint Interagency Coordination Group for Counter Terrorism. In keeping with the Secretary of Defense's guidance, EUCOM has established a Joint Interagency Coordination Group for Counter Terrorism (JIACG-CT) in order to synchronize and coordinate EUCOM and interagency activity in the Global War on Terrorism and in our strategic plan for the region. Our JIACG-CT facilitates communications among the various agencies, contributing immeasurably to our understanding of and our efforts to contain proliferation, illegal immigration, and narco-terrorism. The JIACG, as the staff coordination entity for interagency representatives, allows EUCOM to rapidly access non-Defense Department agency information and operations in the integrated execution of national policy. The JIACG also maintains contact with embassy legal attaches while counterintelligence, analytical, operational, and policy staffs collaborate with their DoD and non-DoD counterparts in our missions. Additionally, the EUCOM intelligence staff, in coordination with the DOD Counterintelligence Field Activity (CIFA), co-sponsors liaison officers at INTERPOL Headquarters in Lyon, France, and in the U.S. national office in CONUS.

Joint Analysis Center (JAC). The JAC at RAF Molesworth in the United Kingdom is an irreplaceable asset as the theater intelligence analysis center. The JAC operates 24-hours a day, seven days a week fusing critical elements of intelligence for the command. The breadth of this AOR requires a robust, all source intelligence capability that only a fully resourced JAC can provide. The JAC fully utilizes its reach back capability to national intelligence agencies and has well developed relationships with NATO members, allies and coalition partners that allows for a more integrated intelligence sharing process. In addition to active operations in the Balkans, Africa, and the Caucasus, the JAC supported U.S. Central Command before and during OIF and continues to do so today.

The JAC also benefits from interagency cooperation. In our AOR, many successful counterterrorist operations are the result of close cooperation and information sharing with our allies. EUCOM's integration of U.S. and multi-national law enforcement and intelligence reporting has given us insight into terrorist support infrastructure, recruitment, and training. EUCOM is working closely with interagency representatives, coalition partners, and U.S. embassy teams to further develop interagency plans.

During the past year, EUCOM hosted Ambassadors and Defense Attachés at several conferences in an effort to unify the interagency cooperation in-theater, confer on matters relating to the GWOT, and discuss "ways ahead" that take full advantage of all the instruments of power necessary to achieve the United States' objectives. Such conferences underscore our commitment to develop broader approaches to interoperability within resources available and to better coordinate interagency assets.

VI. CONCLUSION

U.S. European Command is fully and actively engaged in a diverse and expansive area of responsibility, while simultaneously supporting an adjacent theater. The challenges of an expanding NATO, human trafficking and drug trafficking, sanctuaries and transiting of terrorists, instability and ethnic diversity in Africa and Eurasia, and theater security cooperation initiatives -- define the environment and demand a paradigm shift in EUCOM's theater strategy. Today's multifaceted world requires operational capabilities that are more agile, mobile, responsive and expeditionary. To achieve the United States' national security objectives, EUCOM is restructuring its theater posture and adapting its force structure and basing plan.

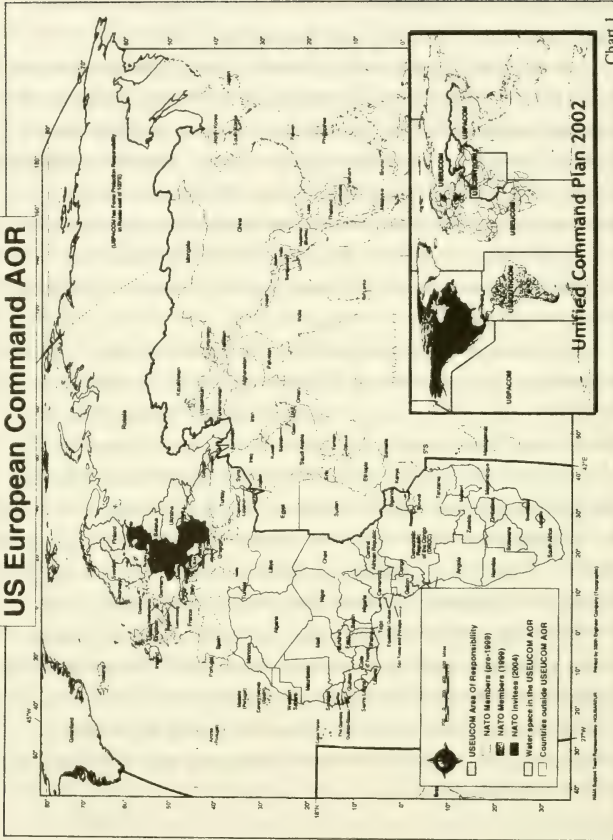
As EUCOM seeks new and innovative alternatives to improve its operational capabilities, we celebrate the value of traditional relationships that have withstood the test of time. The true importance of the Alliance

and the presence of EUCOM should not be measured in wars and conflicts fought, but rather in ones that have been averted.

As one looks to the future of the NATO Alliance, there is much cause for optimism. A great alliance should be able to do great things, and NATO's leadership and member nations are making the necessary decisions today to allow the Alliance to do great things in the future. The NATO transformation process is making remarkable progress. While the NATO Response Force will continue to drive NATO transformation, NATO command structure realignment, as well as NATO deployments to out of area operations, underscores the Alliance's willingness to embrace change in order to remain a relevant and viable security partner.

As we undertake the necessary steps to transform the theater, we must be mindful of our leadership role in global affairs and cognizant of its responsibilities. Leadership and influence cannot be achieved from our distant shores alone; they must be forged through close and personal relationships, shared experiences, presence, and tangible support to time honored commitments. Our nation earned the respect of the entire world when we stood side-by-side with our friends and allies in Europe for nearly a half century. As our interests expand, we should not abandon the character of a strategy that cultivated so much goodwill, resulting ultimately, in an historic victory. Our expanding alliance openly seeks both our leadership and our commitment. EUCOM's true value to our Nation is the uncompromising leadership we provide and the indispensable influence that can only be attained by our presence. This is also our best chance for success in fighting the Global War on Terrorism and, in bringing about a more peaceful and more prosperous world.

US European Command AOR



**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

MARCH 24, 2004

QUESTIONS SUBMITTED BY MR. HOSTETTLER

Mr. HOSTETTLER. Explain how you use the U.S. Coast Guard for your theater engagement purposes? Would you like more Coast Guard assets in your AOR? What advantages does the Coast Guard bring you when dealing with the many small international navies in your AOR that are more like the Coast Guard in force structure and missions than the U.S. Navy?

General JONES. U.S. Coast Guard (USCG) is used extensively as a specialty "Theater Security Cooperation" tool to develop relationships and improve coastal security throughout the U.S. European Command (USEUCOM) area of responsibility (AOR). USCG activities are unique to other Department of Defense (DOD) Security Cooperation tools. Many developing countries in the USEUCOM AOR require Gendarmerie-type (civil-military) coastal security support to improve regional security and protection of national resources. The internationally recognized humanitarian reputation of the USCG permits access where mil-to-mil activities might otherwise be inappropriate. USEUCOM would greatly benefit from more USCG assets and activity within the AOR. Our recent experience is that the demand for USCG type activities (worldwide) is greatly exceeding USCG resource availability. Because USCG activities meet very specific and unique "niche" requirements, more USCG resources are needed. As discussed above, the greatest "developing nation" need is for a civil defense force to protect national resources and sovereignty. The USCG is the ideal match to train and advise nations in these specialties.

Mr. HOSTETTLER. Are the use/deployment of Coast Guard forces included in your contingency plans? Do you envision removing/replacing them with other forces?

General JONES. Deployment of U.S. Coast Guard (USCG) forces is a part of U.S. European Command (USEUCOM) contingency planning. Planned missions include providing port security and conducting Maritime Interdiction Operations. Additionally, many USEUCOM concept plans incorporate the USCG as a non-Department of Defense supporting agency and include USCG assets. USEUCOM anticipates the continued use of USCG assets in contingency planning.

Mr. HOSTETTLER. What improvements/changes does the Coast Guard need to make in order to be more useful to meet your mission objectives?

General JONES. The U.S. European Command (USEUCOM) would benefit greatly from increased U.S. Coast Guard (USCG) international activity within USEUCOM area of responsibility. Currently, USEUCOM competes with U.S. Southern Command for USCG Cutter deployment days. While USEUCOM has received only one 45-day deployment per year, we need a minimum of 120 cutter deployment days per year to satisfy strategic Theater Security Cooperation objectives in the Mediterranean, Baltic and African coastal regions. Nevertheless, USEUCOM and the USCG are closely coordinating their international activities.

Mr. HOSTETTLER. Do you need to increase the number of Coast Guard personnel on your staff?

General JONES. Yes, most definitely. U.S. European Command (USEUCOM) would benefit greatly from a dedicated Maritime Security cell assigned to manage and plan coastal security activities throughout the area of responsibility. Ideally, this cell would be resourced with five USCG planners. In addition, the U.S. Naval Forces in Europe and U.S. Sixth Fleet staffs, currently without USCG representation, would benefit from three planners on each staff.

Mr. HOSTETTLER. Are you concerned about the Coast Guard's ability to sustain its readiness into the future given its antiquated fleet of aircraft and cutters?

General JONES. Yes. The U.S. European Command lost almost half of our most recent U.S. Coast Guard (USCG) Cutter deployment days because of maintenance related breakdowns. The USCG needs to recapitalize and have reliable and compatible equipment and Cutters to effectively accomplish critical strategic missions, including both Theater Security Cooperation and Maritime Interdiction objectives. The USCG must be a deployable, sustainable, and compatible force worldwide.

Mr. HOSTETTLER. Would you like to see a Coast Guard training team assigned to your AOR on a permanent basis?

General JONES. Yes. The U.S. European Command would benefit greatly from having three international training teams assigned to the area of responsibility.

These teams would support Coastal Security programs throughout the Mediterranean, Baltic, Caspian, Black Sea and Africa coastal regions.

Mr. HOSTETTLER. On your prioritized list of requirements, what are your requirements for the Coast Guard?

General JONES. U.S. European Command has the following two requirements for the U.S. Coast Guard (USCG):

(1) Theater Security Cooperation Activities. The USCG has the ideal skill-sets, reputation, and experience to support developing nation coastal security programs throughout the area of responsibility (AOR).

(2) Maritime Interdiction Operations. The USCG Maritime Law Enforcement (Counter-Drug) expertise is applicable to current War on Terrorism Maritime Interdiction Operations (MIO). When available, USCG Cutters are effectively deployed throughout the AOR to support MIO operations. In addition, USCG boarding teams, deployed on board U.S. Navy assets, significantly complement Department of Defense boarding and search capabilities.

Mr. HOSTETTLER. In your AOR, both SOUTHCOM and the Coast Guard conduct drug interdiction missions.

Why hasn't SOUTHCOM and the Coast Guard not come up with one command/organization to avoid duplication and increase unity of effort for drug interdiction missions throughout these overlapping AORs that you both share?

General HILL. SOUTHCOM and the U.S. Coast Guard (USCG) have a close and cooperative partnership towards counter-drug missions that does avoid duplication of effort and increases our unity of effort. On June 1, 1997, SOUTHCOM assumed command and control of Joint Interagency Task Force-East, which is now Joint Interagency Task Force South (JIATF-South), and designated JIATF-South as the lead organization for drug interdiction operations in the Southeast U.S. territorial and Caribbean areas. The JIATF-South Component Commander is a USCG Admiral with tactical control of Coast Guard assets focused on the counter-drug and counter-terrorist missions.

Mr. HOSTETTLER. Naval Component Commander. In SOUTHCOM's AOR, 29 of the international navies except for three (Argentina, Brazil, and Chile) are basically similar to the Coast Guard in equipment and functions. Doesn't it make sense for the Coast Guard to act as/be SOUTHCOM's naval component commander for your AOR since it has so much in common with these navies and since the maritime threats in the AOR require a law enforcement response and not a pure military response. What needs to be done and how would you organize this objective.

General HILL. Although Naval Forces South serves as SOUTHCOM's maritime component, SOUTHCOM enjoys the availability of both U.S. Coast Guard (USCG) and Navy assets and currently assigns a naval/maritime component commander for operations based on the specific mission at hand. This allows a beneficial flexibility required to meet the unique law enforcement/military challenges within SOUTHCOM's area of responsibility.

There are cases where the USCG may be the desired naval/maritime component commander as was the case recently with the establishment of Joint Task Force Haiti. The potential mass migrant interdiction aspect of recent Haiti operations made the Coast Guard the logical choice for a naval/maritime component commander. However, in other potential SOUTHCOM operations, the US Navy's advanced weapons systems, riverine operations, and established offensive capabilities may be more suitable to a defined operation and mission.

SOUTHCOM has a highly successful and on-going working relationship with US Coast Guard District Seven in Miami and USCG Atlantic Area, in Norfolk, VA. SOUTHCOM also has a number of Coast Guard personnel on its staff in various capacities to include operations, intelligence and planning to help ensure effective Coast Guard integration into SOUTHCOM operations. In addition, the Commander of the SOUTHCOM CNT component, Joint Interagency Task Force South (JIATF-South), is a Coast Guard Admiral with tactical control of extensive Coast Guard assets focused on the narco-terrorism and counter drug mission.

SOUTHCOM needs the flexibility to decide whether the USCG or Navy will be the naval/maritime component commander for specific missions and operations. The process of assigning the Coast Guard as a naval/maritime component commander currently involves a SOUTHCOM official request through the Joint Staff to Secretary of Defense for approval. Once approved by the Secretary of Defense, the request is coordinated with the Department of Homeland Security for approval.

Mr. HOSTETTLER. Can you describe and explain the command arrangements for the on-going Haitian contingency as they affect the Coast Guard. How and why was it decided to make the Coast Guard the maritime component commander for Joint Task Force Haiti? What advantages did you see? If the Coast Guard can act as the

naval component commander for Haitian ops why can it not act as the naval component commander for your command on a full time basis?

General HILL. The U.S. Coast Guard (USCG) naval/maritime component commander is assigned to joint Task Force Haiti (JTF-H) and reports directly to the JTF-H commander who in turn reports directly to the SOUTHCOM Combatant Command Authority. Tactical control of Coast Guard assets is assigned to the JTF-H naval/maritime component commander on an "as needed" basis from Coast Guard District Seven in Miami.

The primary advantage of assigning a USCG naval/maritime component commander for JTF-H is that the Coast Guard has extensive planning and operational experience for mass migration operations in the Caribbean. The potential for a Haitian mass migration during the recent Haiti crisis made the Coast Guard the logical decision as naval/maritime component commander.

In regards to other potential SOUTHCOM operations, the U.S. Navy's advanced weapons systems, war fighting and deterrent capabilities as well as Department of Defense doctrine, may be more suitable to a defined mission.

Mr. HOSTETTLER. Explain the relationship between the intelligence staff at JIATF-South in Key West and the Coast Guard's new Maritime Intelligence Fusion Center (MIFC) Atlantic in Virginia Beach. Both intelligence staffs are doing similar jobs/functions in many but not all respects. JIATF has 170 people plus on the intelligence staff looking just at drug smugglers while the MIFC has about 90 people supporting all Coast Guard missions. It would seem that you both could divide up the "work" and each specialize in some areas to avoid duplication and waste. What are your plans to coordinate your maritime intelligence activities with the Coast Guard's intelligence activities?

General HILL. JIATF-South and MIFC Atlantic have roles and functions complementary in some respects, but different in many areas. JIATF-South's intelligence function encompasses counter-narco-terrorism operations covering a land and maritime area of responsibility stretching from the Bahamas through South America, including the Caribbean, Eastern Pacific, and Central America. MIFC's intelligence function supports the USCG's maritime domain awareness across the gamut of USCG missions, including non-narcotics related missions such as alien migration, search and rescue, aids to navigation as well as living marine resources.

Early in the development of MIFC Atlantic, the USCG and JIATF-South defined their respective functions to limit duplication of effort in the areas of counter-drug and counter-terrorism. They recognized that there was already a robust intelligence effort at JIATF-South, and agreed the best use of resources would be achieved if MIFC Atlantic focused on other USCG missions that previously had limited intelligence support, and concentrated counter-drug analysis on locations outside JIATF-South's area of responsibility, such as the U.S. northeast and mid-Atlantic regions. Additionally, the USCG's charter establishing MIFC Atlantic prohibits competition or duplication of effort with JIATF-South. Similar discussions took place when JIATF-South assumed the Eastern Pacific Joint Operating Area, where MIFC Pacific gathers intelligence in support of Coast Guard missions, particularly alien migration.

The JIATF-South relationship with both MIFCs has matured to where the MIFCs focus their analytical effort on non-drug missions, allowing JIATF-South to provide the counter-drug and counter-narco-terrorism pictures in these areas. The MIFCs maintain situational awareness of the counter-drug picture through JIATF-South intelligence, while JIATF-South maintains situational awareness of targets such as homeland security high interest vessels through exchange of intelligence with the MIFCs.

This coordination of roles is a continuous process. JIATF-South and MIFC analysts share and coordinate intelligence on a daily basis to limit duplication of effort, and fill any gaps and seams. Each organization disseminates their intelligence cases so that analysts from all entities can review and consider information in light of their own case portfolio.

JIATF-South and the MIFCs will continue to improve intelligence coordination by leveraging technology to develop near real-time, web-based, common intelligence pictures, and open wider access to intelligence databases useful for analyzing common intelligence cases.

Mr. HOSTETTLER. Explain how you use the U.S. Coast Guard for your theater engagement purposes. Would you like more Coast Guard assets in your AOR?

General HILL. The U.S. Coast Guard (USCG) contributes to SOUTHCOM's Theater Security Cooperation through deployments of the Caribbean Support Tender, exercise planning and execution, International Training Assistance, Security Assistance, and USCG Officer billet support.

The USCG routinely deploys the Caribbean Support Tender, a dedicated international engagement vessel, throughout the Caribbean Basin to provide maritime training, maintenance assistance, and logistics support to partner nations. Its crew has 16 international crewmembers. During the initial phases of the recent Haiti operation, the USCG Caribbean Support Tender *Gentian* deployed to Port au Prince and provided critical maintenance and supply activities to the Haitian Coast Guard, allowing key migrant repatriation and port security functions to continue uninterrupted.

USCG—Atlantic Area serves as executive agent for the maritime activities associated with the annual exercise "TRADEWINDS." TRADEWINDS increases military-to-military contact, enables validation of U.S. and partner nation military force interoperability, and strengthens maritime security operations against transnational threats.

USCG Mobile Training Teams (MTTs) provide specialized training on USCG missions tailored to meet partner nation's needs. MTTs provide training for law enforcement boarding officers, small boat engine repairs, and port handling inspection methods.

USCG officers are assigned throughout the Caribbean and Central America to provide maritime expertise to U.S. Ambassadorial staffs. USCG Security Assistance Officers, through their efforts support the development of their respective host-country's military capabilities based on the SOUTHCOM Theater Security Cooperation Plan's regional objectives.

USCG officers are valuable assets to SOUTHCOM. Additional officers would allow SOUTHCOM to further integrate Coast Guard efforts in our planning and missions resulting in a greater unity of effort.

Mr. HOSTETTLER. Are the use/deployment of Coast Guard forces included in your contingency Plans? Do you envision removing/replacing them with other forces?

General HILL. Select SOUTHCOM plans include the use of U.S. Coast Guard (USCG) assets in support of associated maritime activities. SOUTHCOM does not envision removing or replacing the USCG with other forces. Our cooperative partnership is critical to the execution of our contingency plans.

Mr. HOSTETTLER. What improvements/changes does the Coast Guard need to make in order to be more useful to meet your mission objectives?

General HILL. SOUTHCOM maintains a close and collaborative relationship with the U.S. Coast Guard (USCG) and routinely identifies areas for useful and effective Coast Guard integration into SOUTHCOM operations.

The capabilities of the USCG in support of SOUTHCOM objectives afford this Command the opportunity to undertake a wide variety of operations atypical to those assigned to Department of Defense (DoD) agencies. This is clearly reflected in the mission of Joint Interagency Task Force-South (JIATF-South) in support of counter-drug operations in the Caribbean, to which the USCG brings not only law enforcement expertise but both aerial and maritime surveillance and reconnaissance assets that can offset the absence of DOD assets committed elsewhere. Similarly, the USCG's role in migrant interdiction in the Caribbean is a critical element in addressing security needs in the region.

SOUTHCOM is currently coordinating with the USCG on initiatives that would bolster the USCG's effectiveness in meeting SOUTHCOM's objectives. For example, we are currently working to finalize an interagency agreement between DHS/USCG, DoD and the Department of State, regarding respective roles and responsibilities during a Caribbean mass migration contingency.

Mr. HOSTETTLER. Do you need to increase the number of Coast Guard personnel on your staff?

General HILL. I currently have seven permanent U.S. Coast Guard (USCG) personnel assigned to my headquarters and military offices in countries within the region. We have evaluated our requirements and are coordinating to acquire additional positions in the headquarters and region that would benefit from additional Coast Guard field grade officer presence.

Mr. HOSTETTLER. Are you concerned about the Coast Guards ability to sustain its readiness into the future given its antiquated fleet of aircraft and cutters?

General HILL. The U.S. Coast Guard (USCG) continues to be a key interagency player in addressing SOUTHCOM's goals and objectives. I am not aware of any USCG readiness problems.

Mr. HOSTETTLER. Would you like to see a Coast Guard training team assigned to your AOR on a permanent basis?

General HILL. The U.S. Coast Guard (USCG) routinely provides significant training to meet partner nation naval/maritime force requirements via the Caribbean Support Tender and Mobile Training Teams. Such deployments are scheduled rather than provided on a permanent basis. As with DOD training, these deployments

are based on partner nation prioritized requirements and support SOUTHCOM Theater Security Cooperation objectives.

Mr. HOSTELLER. On your prioritized list of requirements, what are your requirements for the Coast Guard?

General HILL. Requirements in support of partner nation naval/maritime forces are addressed within SOUTHCOM's annual Theater Security Cooperation plan. SOUTHCOM's U.S. Coast Guard prioritized requirements are as follows:

- Caribbean Support Tender Program
- Coast Guard Mobile Training Teams
- Subject Matter Expert Exchanges
- International Port Security Program
- Excess Defense Articles
- Caribbean Mass Migration Contingency Response Support

QUESTIONS SUBMITTED BY MR. TURNER OF OHIO

Mr. TURNER. Are there any operations ongoing in Bosnia to address the increase in the number of terrorists seeking refuge in the country? Specifically, al Qaeda has been reported to be gaining strength in the area. What has been the US response?

General JONES. The Stabilization Force (SFOR) leads operations in Bosnia-Herzegovina (BiH) to provide for a safe and secure environment to include counter terrorism actions. The U.S. approach is to work with international organizations to deny terrorists safe havens in BiH and cut off their support networks through the integration of U.S. policy, intelligence, and law enforcement efforts.

The USEUCOM Joint Interagency Coordination Group (JIACG), the U.S. Embassy Sarajevo, the U.S. Joint Interagency Task Force (Bosnia), and SFOR all work successfully with the BiH Federation Financial Police and the Federal Intelligence and Security Service to identify Non-Governmental Organizations (NGO) with direct terrorist links. Information collected and collated by local counterparts and U.S. intelligence activities in BiH are key to these efforts. To date, eight Islamic NGOs operating in BiH have been positively linked to Al-Qaeda and Bosnian Federation officials, in coordination with the State Department and United Nations, have closed the offices and frozen all financial assets of these NGOs.

SFOR has also been involved in other counterterrorism operations, including a raid at the Hollywood Hotel, located near Sarajevo, leading to the subsequent deportation of three Egyptians, one Jordanian, and five Pakistanis; the arrest and subsequent detainment at Guantanamo Bay, Cuba, of Bensayah Belkasem and five associates for suspicion of planning terrorist actions in BiH and association with international terrorist organizations; and the detainment and questioning of individuals suspected of involvement in Islamic extremist activities and under suspicion of threatening the safe and secure environment in BiH.

QUESTIONS SUBMITTED BY MR. FRANKS

Mr. FRANKS. It is our understanding that the Services, and in particular the deployed Forces, have a critical need for additional Combat Search and Rescue Radios. Further, reports from the field indicate that the Portable Radio Communications and GPS-112's currently fielded have been doing extremely well in Search and Rescue missions with downed aircrws. With the delay in the CSEL development, testing and slip in the approval for production, do you need additional off-the-shelf Combat Search and Rescue radios to satisfy your urgent mission requirements?

General HILL. Reliable voice communications and accurate positioning are critical for reporting and locating isolated personnel and to executing a successful PR operation. Currently, SOUTHCOM has a very limited number of radios available for use by deployed personnel in the region. This number is below requirements in which U.S. personnel are performing missions in areas defined as hostile or uncertain.

As an interim, until our requirements are met, we are purchasing off-the-shelf GPS and secure communications equipment for Colombia. These additional off-the-shelf Combat Search and Rescue radios will help satisfy urgent mission requirements.

The first part of the paper discusses the importance of the study and the objectives of the research. It also mentions the scope of the study and the limitations of the study.

The second part of the paper discusses the methodology used in the study. It mentions the data sources and the data collection methods used in the study.

The third part of the paper discusses the results of the study. It mentions the findings of the study and the conclusions drawn from the study.

The fourth part of the paper discusses the implications of the study. It mentions the practical implications of the study and the theoretical implications of the study.

The fifth part of the paper discusses the conclusion of the study. It mentions the overall findings of the study and the recommendations for future research.

The sixth part of the paper discusses the references used in the study. It mentions the books, articles, and other sources used in the study.

FISCAL YEAR 2005 NATIONAL DEFENSE AUTHORIZATION ACT—REGIONAL COMBATANT COMMANDERS, U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, March 31, 2004.

The committee met, pursuant to call, at 10:02 p.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

This is the committee's third hearing to review the posture of our combatant commands. And given the controversy surrounding elections in Taiwan, it couldn't be timelier.

Our guests this morning are Admiral Thomas B. Fargo, United States Navy Commander, United States Pacific Command (PACOM), and General Leon J. LaPorte, United States Army Commander, U.S. Forces Korea (USFK). Welcome to the committee, gentlemen, and we look forward to your testimony. We thank you for being with us this morning.

On March 20th, Taiwan conducted an election to choose its next President, just one day after an assassination attempt on one of the two leading candidates and his running mate. The sitting President, Chen Shui-bian, survived the assassin's bullet and went on to win reelection by just two-tenths of a percentage point. Since then, the opposition party has contested the election, and supporters of both candidates have held large street demonstrations. If nothing else, Taiwan's elections have reminded us that democracy is messy, but it is still democracy.

Contrast that with events across the Taiwan Strait, where the people of China have no voice in choosing their leaders; where the people of Hong Kong have unsuccessfully protested their slow but steady loss of liberty and democracy; where people are not free to practice their faith; and where the government has pursued double-digit increases in defense spending for a decade, well in excess of its legitimate defense needs.

The situation across the Taiwan Strait deserves our special attention because it has long been recognized as an international flashpoint. But it also points to the extreme range of conditions that exist in Asia, a fledgling but successful democracy just over 100 miles from the world's last major Communist dictatorship. Or, consider the Korean peninsula, where capitalism and democracy

thrives south of the demilitarized zone (DMZ), but repression and famine are commonplace to the north.

The contrasts highlight what a dangerous and uncertain place Asia can be. While we have solid alliances with key states, the Pacific Command's area of responsibility is also home to some of the most troublesome security problems on the planet. Three of them stand out in particular.

First, the balance of power is changing across the Taiwan Strait. China continues modernizing its military with the most advanced technology available from Russia, and, I might add, paid for today with cash dollars that come from their \$100 billion-plus trade surplus over the United States. Taiwan, on the other hand, continues cutting its defense budget. These diverging military trends highlight a political problem in which China is constantly seeking to strangle more assertive demonstrations of Taiwanese democracy lest the people of Taiwan decide that they don't want to surrender their rights in order to become part of greater China. Those trends are accelerating, undermining the fragile standoff that has secured peace across the Strait for most of the last 50 years.

Things aren't much better on the Korean peninsula, where North Korea has reneged on its nuclear nonproliferation pledges and claims to have built an atomic bomb. Ironically, some of the very same people that attack the United States for unilateralism are now attacking it because the Administration insists that the nations of northeast Asia resolve the problem multilaterally.

We can round out the trifecta of security threats by noting that Islamist-inspired terrorism has gained a foothold in southeast Asia. Jemaah Islamiyah, an al Qaeda affiliate, has established a presence across the region, particularly in Indonesia, Malaysia, and Singapore. Abu Sayyaf and the Moro Islamic Liberation Front continue their war against the democratically elected Government of the Philippines. Both reportedly have ties to al Qaeda.

While we seek diplomatic means of solving these problems, there should be no doubt that the military stands on the front lines in ensuring they don't get out of hand. We absolutely must be ready, willing, and able to defeat aggression in the region in order to deter it. Everyone must know that force is not an acceptable way of resolving Taiwan's status. And while we wish the people of North Korea a brighter future, the dictators in North Korea must understand that they must not be allowed to threaten us with nuclear weapons. And, finally, our staunch allies in the region, including Japan, Australia, and the Philippines, must rest assured that our security commitments to them are unshakable.

Gentlemen, we look forward to hearing today how the forces under your command are accomplishing these missions and what you need from us in order to accomplish them in the future. And so thank you again for being with us and taking time from your busy schedules to inform us of your game plan and your blueprint for the future.

And before we recognize our guests, let me recognize my partner on the committee, the distinguished gentleman from Missouri, Mr. Skelton, for any remarks he might want to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 911.]

**STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE
FROM MISSOURI, RANKING MEMBER, COMMITTEE ON
ARMED SERVICES**

Mr. SKELTON. Mr. Chairman, thank you very much. I think this is a very important hearing that you have called, and we thank you for that.

I join you in welcoming back Admiral Fargo and General LaPorte, each of whom are friends of many years. And we thank you for your continued truly outstanding service, and we appreciate your being with us.

Now, last year you visited us one week before the war began in Iraq. In the year since, we here in Congress and the American people have focused a lot of attention on what is happening there, and, of course, for good reason. But the Pacific region is enormously important both because the challenges are great and because our allies and friendships there are enduring. Negotiations continue to bring an end to North Korea's nuclear weapons probe. And while conflict on the peninsula may not be likely, the prospect that North Korea continues to develop its nuclear capacity, combined with its history of proliferation behavior, makes this a critical priority for continued deterrence and resolution.

Now, beyond the Korean peninsula, there are challenges elsewhere, from the Taiwan Straits to the ongoing work with our partners throughout Southeast Asia to fight extremist Islamic groups with ties to al Qaeda. A hearing like this is so important to remind us of how much is happening in the Pacific and the region's strategic importance. We cannot lose sight of the fact that your region is terribly important to us and the security of this Nation.

Part of the reason I remain concerned about our military end strength, the number of troops, is because of this region's importance. We must be able to undertake the range of missions in Iraq, Afghanistan, Haiti, and globally on the war on terrorism, while still being able to fight and win a conflict in the Pacific if worse comes to worst. Our troops are stretched thin and they have been for some time, and I think we need more troops and that would help you in the Pacific and in Korea, as well.

The committee has begun to hear about how changes to the global footprint, our military footprint, will be implemented in the region. I understand that there are still consultations ongoing with our allies in the region, but I hope you will give us an update as to where we are at this moment and your recommendations for the future regarding that.

So again, thank you for being with us. Mr. Chairman, thank you for calling the hearing.

The CHAIRMAN. I thank the gentleman. And Admiral Fargo, once again, welcome. And the floor is yours, sir.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 917.]

**STATEMENT OF ADM. THOMAS B. FARGO, U.S. NAVY,
COMMANDER, U.S. PACIFIC COMMAND**

Admiral FARGO. Thank you, Mr. Chairman.

Mr. Chairman, Representative Skelton, and distinguished members of the committee, thank you for this opportunity to testify on

the posture of the United States Pacific Command. I have the honor to represent thousands of men and women, active, guard, reserve, civilians, and family members who are providing superior service to the Nation in the Asian Pacific region, and indeed around the world. Their high readiness and effectiveness can be directly attributed to the generous support of this esteemed body and of the American people as a whole.

Today I would like to survey, if I can, some of our primary security concerns around the region, and then I look forward to answering your questions. I request that my full written statement be entered into the record.

The CHAIRMAN. Without objection, Admiral, both yours and General LaPorte's full statements will be taken into the record. So you can just make an informal synopsis of what you have got there, or follow your statement, whatever you want.

Admiral FARGO. I have got about four or five minutes here, Mr. Chairman.

The CHAIRMAN. Super.

Admiral FARGO. Dramatic events in Southwest Asia for which the Pacific Command continues to be the primary force provider, a primary force provider, have not eclipsed the importance of Asian and Pacific threats to global security, nor our attention to them. First and foremost, we are keenly focused on the Korean peninsula, and General LaPorte and I carefully monitor indicators of North Korean military readiness. And, frankly, I don't think war is any more likely today than it was two years ago, for example; but clearly the stakes would be very high if war occurred.

Millions of South Koreans live within range of North Korea's artillery and the stakes, of course, would be even higher if North Korea continues to pursue a nuclear capability. But North Korea's ability to threaten peace is not limited to the peninsula. The world's largest proliferator of ballistic missiles already has demonstrated the ability to deliver missile payloads beyond even Japan. And the reach of its illicit activities, such as narcotics, extends as far as Australia, as was just demonstrated last summer.

Now, of course, North Korea's highly enriched uranium program along with its plutonium reprocessing program raises the specter of nuclear weapons either in armed conflict or proliferated into the hands of terrorist groups, perhaps our biggest fear and one that would clearly threaten all nations.

President Bush repeatedly has stated that our commitment to a peaceful resolution of the North Korean nuclear issue and the diplomatic initiative is moving forward to the six-party talks.

Our role at the Pacific Command has been to ensure that diplomacy is backed by a viable military capability, and we continue to do just that, posturing our forces not to provoke, but to deter conflict.

Next, we worry about miscalculation resulting in conflict between India and Pakistan or in the Taiwan Strait. Recent constructive dialogue between India and Pakistan and the relaxation of tensions are positive signs. The Taiwan Strait is another place where miscalculation could result in terrible destruction and poses the possibility of expanding into a wider regional conflict. The Taiwan issue

remains the largest friction point in the relationship between China and the United States.

President Bush has stated our support for the one China policy and the three communiqués. It should be equally clear that our national leadership and the Pacific Command are prepared to commit; and committed to meet our obligations under the Taiwan Relations Act.

We continue to watch closely the developments associated with the recent Taiwan election, and to date we have seen no indication of an imminent military crisis.

Asian Pacific nations face a number of transnational threats to regional stability, the most significant of which is terrorism. The war on terrorism is our highest priority in the Pacific Command. Regional and local terror groups with ties to al Qaeda continue to pose serious threats to the U.S. and friendly interests, especially in Southeast Asia. This region is a crucial front on the war on terror. Destabilization of the governments of this region, moderate, secular, and legitimately elected and with large Muslim populations, would result in decades of danger and chaos. The Jemaah Islamiyah, or JI, directly targets the region for instability through terrorism, supporting its goals of a pan-Islamic state in Southeast Asia. The JI followed up on its October 2002 Bali bombing with the deadly attack on the J.W. Marriott Hotel in Jakarta just last August.

I am pleased to report to the committee that the nations of the region are cooperating well against these threats. Singapore, Malaysia, Thailand, and the Philippines have thwarted a number of attacks, and have detained or arrested over 200 members of the JI.

Indonesia also has been particularly effective in the arrest and prosecution of some 34 JI members who participated in the Bali bombing, most of whom have now been sentenced for their crimes. And, of course, Australia plays an active role facilitating bilateral counterterrorist efforts throughout the Pacific.

But the JI is resilient and pervasive. Other key leaders of the JI remain at large, and new terrorist generations are being trained. And we are learning more about the degree of JI involvement in terror operations in southern Thailand and in the southern Philippines.

It is against this backdrop of challenges that we reach my final priority, and that is transformation. Specifically, we call it operationalizing the Asian Pacific defense strategy. We are examining new ways of commanding, supporting, and employing our forces. First, we are updating operational plans to incorporate not only our improvements in speed and precision, with lethality and knowledge, but also the lessons learned from operations in Iraq and Afghanistan. And second, we are strengthening our command and control constructs to execute those plans responsively, leveraging joint and interagency arrangements.

We are also working hard to develop expeditionary capabilities for immediate employment both in the Pacific and anywhere else that might be needed, and to integrate those capabilities into new operating patterns and concepts.

You have already provided us major improvements like the Stryker armored vehicles, which have deployed to Korea and the

C-17 aircrafts. And you are well aware of the two critical transformational efforts designed to improve our global force posture and footprint. Our Global Posture Review aims to range our forces most effectively to assure friends and allies, while deterring and, if necessary, defeating our adversaries. And the Base Realignments and Closure, or BRAC Commission, scheduled for 2005 supports posture improvements by eliminating unneeded facilities and infrastructure that absorb dollars needed elsewhere.

In sum, we are looking for ways to effectively array combat power as appropriate for uncertain threats of the future while reducing the burden we place on friends and allies in the region. Our goal is an enduring posture and footprint that demonstrates our commitment and is sustainable for the long term.

And finally, we are looking for access and logistics prepositioning opportunities throughout the theater that minimize lift requirements and increase responsiveness whenever and wherever we are threatened.

Mr. Chairman, I am proud to represent the men and women of the United States Pacific Command, and I sincerely thank you for the opportunity to testify today and I look forward to your questions.

The CHAIRMAN. Thank you, Admiral.

[The prepared statement of Admiral Fargo can be found in the Appendix on page 920.]

The CHAIRMAN. And, General, thank you for being with us, sir. Go right ahead.

STATEMENT OF GEN. LEON J. LAPORTE, COMMANDER, UNITED NATIONS COMMAND, COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND, AND COMMANDER, UNITED STATES FORCES KOREA

General LAPORTE. Chairman Hunter, Congressman Skelton, and distinguished committee members, I am honored to appear before the committee to update you on a current situation on the Korean peninsula. I would like to submit my 2004 posture statement for the record.

I want to extend the thanks of all the soldiers, sailors, airmen, and marines, and the Department of Defense (DOD) civilians that serve in Korea. Your unwavering support provides these dedicated men and women with the resources to maintain the readiness that underpins peninsula security and regional stability. You can be justly proud of our service members and the Department of Defense civilians serving in Korea.

The security and stability of the northeast Asia region is a long-term interest of the United States. Along with our allies and friends, we continue to deter threats to security, promote freedom, and to contribute to regional prosperity. The presence of the United States forces in northeast Asia signifies our enduring commitment to these goals.

The Republic of Korea (ROK) has long been a key U.S. regional ally and leading democracy in northeast Asia. The Republic of Korea democratic processes continue to govern the nation, demonstrated by the peaceful constitutional processes being used to address allegations against President Roh.

The Republic of Korea, the United States military alliance exemplifies cooperation among democratic nations to promote shared enduring interests. Our alliance remains steadfastly committed to its fundamental purpose: to deter and defend against North Korean threats and to strengthen mutual commitment to regional and stability. The combined forces of the Republic of Korea and the United States remain trained and ready to accomplish its security missions.

In addition to its predominant role in peninsula defense, the Republic of Korea has demonstrated a sustained commitment to coalition operations in Afghanistan and Iraq. Since 2002, the Republic of Korea has contributed up to 500 rotational medical and engineer troops to Afghanistan, and the Republic of Korea Air Force and Navy have flown and sailed in support of the United States forces engaged in the war on terrorism. Last year, the Republic of Korea deployed a 675-person contingent for stability operations and pledged \$260 million for reconstruction in Iraq. This past February, the National Assembly approved a dispatch of up to 3,000 additional troops to Iraq. When this contingent deploys, the Republic of Korea will have the third largest troop contingent in support of the Iraqi coalition.

On the Korean peninsula, the combined forces of the Republic of Korea and United States Alliance are transforming, guided by an enhanced shape and aligned construct which synchronizes our efforts and ensures that the Republic of Korea/United States Alliance remains relevant to the security of both our nations. Together, we are working to enhance our combined military capabilities to bring state-of-the-art military technologies and operational concepts to the Korean theater, strengthening our combined peninsula and regional deterrence and readiness.

These enhancements include improved armored vehicles, air defense systems, chemical and biological defense, and advanced precision munitions. The advanced concept technology demonstration programs such as theater effects-based operations, tactical missile system penetrator, and Joint Blue Force situational awareness have demonstrated promising ways to enhance the capabilities of U.S. forces based in Korea.

We also continue to improve individual protective equipment, including interceptor body armor and chemical protective equipment.

The United States forces continue to demonstrate the ability to rapidly reinforce the Korean peninsula with advanced capabilities such as the C-17 aircraft deploying Stryker-equipped Army units and high-speed vessels moving Marine expeditionary forces to the peninsula.

We have begun to shape the combined forces by transferring military missions from the United States forces to the Republic of Korea forces. These changes acknowledge the growing capabilities of the Republic of Korea military and its predominant role in peninsula defense, while maintaining the firm United States commitment to peninsula security and regional stability.

We continue to align United States forces into two strategic hubs of enduring installations that support an enduring United States military presence in the Republic of Korea. Consolidating and realigning the United States forces, including the Second Infantry Di-

vision and units stationed in the Seoul metropolitan area will increase our operational abilities while improving readiness and the quality of life of United States service members. These enduring hubs, coupled with the prepositioned sets of equipment, provide the strategic flexibility to rapidly reinforce the Korean peninsula or to promptly respond to regional security concerns.

The realignment of the Second Infantry Division, begun under the 2003 land partnership plan, is a major component of transforming the United States Forces Korea to meet future security requirements. The realignment of Second Infantry Division depends on stable funding to existing projects in the future defense plan.

We are concluding negotiations to relocate the United States forces from the Seoul metropolitan area. The Yongsan relocation, done at the request and the expense of the Republic of Korea Government, will enhance the operational readiness of the alliance, improve facilities and quality of life for United States forces, and most of all, return valuable land to the Korean people.

With your continued support, transformation of the United States forces in Korea will result in a more capable and sustainable U.S. military presence in Korea and produce a stronger combined Republic of Korea/United States military alliance.

Improving community relations and the quality of life remain a top priority of my command. The Good Neighbor Program, implemented at all command levels, continues to promote positive community relations with our Korean host. These programs, such as English language tutoring, cooperative humanitarian and conservation projects, and local Korean-American friendship associations build mutual understanding and cultural appreciation.

Service member quality of life in Korea is trending upward. With your support, we continue to improve the operational facilities, housing, and community support facilities through renovation and construction. These improved facilities, along with incentives such as increased family separation pay, cost-of-living allowance, and assignment incentive pay has increased retention in Korea.

On behalf of those serving in Korea, I thank you for your continuing support of these key initiatives that directly address the substandard living and working conditions and improving the quality of life for our service members.

The United States forces in Korea shares your concern about sexual assault involving service members. The command treats sexual misconduct in any of its forms as a serious matter, and we are taking stringent measures to address the issue. We have charged leaders at all levels with personal responsibility for rigorously enforcing policies and establishing a working group to identify ways to eliminate risk factors that may contribute to sexual assault. Equally important, we have reinvigorated our education programs, stressing risk factor awareness, prevention, and compassionate victim care.

I thank you for the opportunity to appear before this committee, and look forward to your questions. Thank you.

The CHAIRMAN. General, thank you very much.

[The prepared statement of General LaPorte can be found in the Appendix on page 982.]

The CHAIRMAN. Gentlemen, thanks for giving us a broad-brush picture, and I know members have lots of questions, and I will

have a few questions here at the end of the hearing, but at this point would pass on questions. And the Ranking Member is recognized.

Mr. SKELTON. Mr. Chairman, I yield my time to the gentleman from Rhode Island, Mr. Langevin.

The CHAIRMAN. The gentleman is recognized.

Mr. LANGEVIN. Thank you, Mr. Chairman. And I thank Congressman Skelton for yielding.

I want to thank both of you gentlemen for being here and for the fine job you are doing for your service to the country.

On a personal note, I would particularly like to welcome General LaPorte here. Your alma mater at University of Rhode Island (URI) is extremely proud of your success and all you have accomplished. I understand you are from the graduating class of 1968, and one of your fraternity brothers at Phi Mu Delta is Mr. Ken Wilds, who serves as my district director. So he sends his regards. He also shared some interesting stories with me, which will remain classified, General.

General LAPORTE. Thank you for not asking me those questions, Congressman.

Mr. LANGEVIN. Admiral Fargo and General LaPorte, given China's military modernization efforts, North Korea's nuclear program, and the presence of numerous terrorist groups in Southeast Asia, the U.S. obviously must ensure that we remain well informed of developments in the Pacific as they occur. How would you characterize our intelligence, surveillance, and reconnaissance, ISR, capabilities in the region? And what additional tools could Congress provide to enhance those capabilities?

Admiral FARGO. Congressman, obviously the intelligence, surveillance, and reconnaissance is a key issue for both General LaPorte and I. I think the assets we have in the region right now are adequate. Clearly, we balance these worldwide to ensure that we can meet all of our global needs.

In terms of my priorities, specifically, and my top three priorities in the Pacific, ISR is in those top three. And I would list those as ISR, missile defense, and antisubmarine warfare.

I think probably the most compelling need in this area is for a persistent Long Dwell ISR asset. Probably something that could be provided by an unmanned aircraft would be particularly helpful; a manned aircraft could be used to complement that. But that is our top need right now in terms of ISR.

General LAPORTE. I would agree with Admiral Fargo. On the peninsula, I have adequate resources to conduct indications and warning in an armistice scenario, and we have plans for reinforcement if we were to change to a higher threat level.

In terms of the terrorist threat, which was part of the your question, we work very closely with the Korean intelligence agencies and the Korean National Police. They have very sophisticated means of providing us information on any potential threats in terms of terrorists. And right now, I would classify the terrorist threat in the Republic of Korea to be low.

Mr. LANGEVIN. Thank you.

Admiral Fargo, the next two questions will be for you. As you know, Indonesia is an important nation for the U.S. in combating

Global War on Terrorism because of the presence of Jemaah Islamiyah radicals there. And, obviously, we need to work closely with the Indonesian Government to root out terrorism. But I am deeply concerned, though, about reports of human rights violations by the Indonesian military and security forces against religious and ethnic minorities as described in the State Department's 2003 report on human rights. So I would like to know what type of counterterrorism assistance the U.S. is currently providing to Indonesia and what steps we are taking to foster a greater understanding of human rights with Indonesian security forces.

And second, if I could, China, as we have discussed earlier, is undertaking extensive modernization of its military, which has concerned our ally Taiwan. Could you further characterize and elaborate as you already have on the current relationship between China and Taiwan and offer your views of the likelihood that China would initiate military action against Taiwan? And, additionally, what steps has the U.S. taken to discourage Chinese aggression, to improve Taiwan's ability to defend itself, and also what additional resources do you believe Taiwan still needs?

Admiral FARGO. Congressman, let me start with the first question on Indonesia. Clearly, Indonesia is a tremendously important country in Southeast Asia, and really in Asia and the Pacific. This is the largest Muslim country in the world, over 200 million people, actually more people than Russia today. It is a relatively new democracy, having been in existence for five to six years. Its government is moderate and secular. And the stability of Indonesia is key to the stability in Southeast Asia.

With respect to the Tentara Nasional Indonesia (TNI), the Indonesian military, I believe that they have made progress over the last couple of years. We are very focused on their previous human rights record, and we demand accountability for that record as an imperative.

But there are signs that reform is occurring in the TNI. For example, in the last year, legislation has been passed that takes the TNI out of the political scene in Indonesia. And after this election that is coming up in April, they won't have any seats in the assembly. The Chief of Defense of the TNI, in fact, is not going to allow the TNI to vote in this election, not because he wants to set a precedent, but because he wants to make sure that they steer clear of politics in this upcoming election.

They have separated the police from the military in Indonesia, which I also think is a very good sign and a good move so that the police can focus on internal security and the TNI can focus on national security. And there are some clear signs that they have done significant training in human rights in terms of their performance most recently in Haji.

So I think that certainly this bears watching. Our role, I think, is to serve as a model for the TNI to make sure that we help bring them along on this path to reform so that they understand the rule of law, the proper role of a military in a democracy, and that they can develop as an institution in a manner that will properly serve their people.

With respect to China and Taiwan, as I said in my opening statement, we don't see any military indications right now, indications

and warning that would be cause for imminent concern. We watch the situation very carefully. Obviously, a stable situation across the Taiwan Strait is tremendously important to the larger security concerns within Asia and the Pacific. My responsibilities, of course, are related to the Taiwan Relations Act, and certainly we understand those and we maintain a force posture and readiness and ability to respond to contingencies to ensure that, should the President so ask us, we can meet those responsibilities under the TRA.

Mr. LANGEVIN. I see my time has expired. So I thank you gentlemen for your testimony, and thank you for being here and for your service.

Admiral FARGO. Thank you, sir.

The CHAIRMAN. I thank the gentleman.

The gentleman from Pennsylvania, Mr. Weldon.

Mr. WELDON. Thank you, Mr. Chairman.

Thank you both for being here and for your service to the country. We have had several delegations in theater in the past several years, and General LaPorte in particular, on the ground, I want to thank you for your attention to the quality-of-life issues for the troops. I know Korea has never been the most desired location for those troops with families, and I know you have taken great efforts to try to increase the incentives to have troops want to be stationed there. And I appreciate that. And the same thing to you, Admiral, in terms of the theater.

I want to focus my points today and questions on Korea, which gives me great concern. As you both know, I had received an invitation to take the second delegation into North Korea next week from the Foreign Ministry. And the initial invitation to me had 6 conditions which were very troublesome to me, because we had 17 Members assigned to the delegation, 12 or 13 from this committee, including 3 subcommittee chairs.

The troubling nature of what happened and transpired involved the fact that we were meeting in six countries with six heads of state and a commitment with Kim Jong Il, and then at the 11th hour I was told that all six conditions must be met before we would get in. Five of the conditions were easily acceptable. The sixth was that they were limiting us to five members of our delegation, which is obviously impossible. I couldn't tell 12 Members to go shopping in Seoul while the rest of us went in to Pyongyang.

So I drove up to New York on Saturday and met with Ambassador Hahn at the Democratic Peoples Republic of Korea (DPRK) mission, and he and I had a discussion that I would say in the ten times or so that I have met with him was probably the least positive one that I have had. And I tried to make the comparison of Libya to North Korea and how Gadhafi had given up his weapons of mass destruction (WMD) and still is in power; in fact, we are embracing Libya. In fact, we have a representative of Libya in town today that is being shuffled around for meetings with Members.

But he didn't buy that. And he said, "We are not Libya; we have nuclear deterrence." and we got into a discussion about what I perceive to be somewhat of a threat that they have nuclear weapons and therefore that was a reason why they had to be dealt with differently from Libya.

The bottom line is he wouldn't give, and so I canceled our trip and told him we would reschedule it when they were ready to accept our conditions, and was very troubled and told him that those Members of Congress in both parties that want to try to continue dialogue and avoid confrontation were being rebuked in this manner. And since they had accepted large delegations from Beijing and from other countries, including nations in the region and Russia, that this was a troubling sign to us.

I am troubled by what I see, what I perceive to be a continuing worsening of the situation with North Korea. And I say that because they continue to build what they call their "deterrence", but which we call nuclear weapons. They seem to be more arrogant in their approach with every passing day. And I think they are also reading the polls. I saw two polls done last year, one in May and actually one in January of this year—I think it was by Pew Research—that showed that the opinion in South Korea of the South Korean people—and maybe this is skewed and I would ask you to comment on it—actually showed that a greater number of South Koreans perceive the U.S. to be more of a threat than North Korea. Now, that is very troublesome to me, and I am sure the North Koreans are reading those same polls.

So my concern is, what is the impact of the current impeachment of President Roh? What impact has that had on our relationship and with the current Prime Minister, who, I guess, is assuming responsibility until an interim President is named? Do you share my concern that the problems are getting worse by the month, and that North Korea continues—and are you seeing any other signs of a change in North Korea's attitude separate from what we are hearing at the six-party talks?

General LAPORTE. Well, Congressman, you raise a very serious concern, a concern that all of us share.

Let me talk about first of all North Korea's approach to this very complex challenge. Many times they appear to be irrational, especially dealing as a nation state in an international community, when they put such demands on other nations. Clearly a diplomatic solution to this problem is what everyone wants. And many times the United States is accused of unilateral action. In this case, the United States led the way in terms of the six-party talks and really held firm with North Korea relative to getting our allies and the nations that had equities in the region involved in these talks.

Our position is very clear in terms of the irreversible dismantlement of their nuclear capability, and I think that is a position that needs to continue to be supported.

In terms of the polls, South Korea is a democracy. It is a maturing democracy. And the good news is that they can have polls and people can have dissenting opinions. It has been 50-plus years since the Korean War. The younger generation did not experience the horrors of that war, and they have lived in peace and prosperity for many years, so they have a differing perspective than the older conservative Koreans. That is not necessarily a bad thing. I think in a democracy we need to have a debate about different perspectives and different positions. There are many polls that take place. But I will tell you, when you talk to the Korean people, they are steadfast in supporting the alliance. They continue to desire to

have the U.S. military presence on the peninsula and even after any type of reconciliation with the North.

Mr. WELDON. President's Roh's status?

General LAPORTE. President Roh's status—he was, as you, I am sure, know, was impeached by the National Assembly. According to the constitution, the issue of impeachment will now be resolved by the constitutional court, a nine-judge panel. They have up to 180 days to accomplish that task. My understanding is they met yesterday for the first time.

I think the fact that that process is ongoing in South Korea, even with the North Korean threat, is a tremendous testament to the maturity of their government, and also the fact that the civilians continue to control the military and the military respond in a very professional manner to the civilian leadership.

Prime Minister Goh is executing all the duties of the President. I have seen him twice since he has taken on these duties. And, in my estimation, he is doing a fine job. And we will continue to manage—he will continue to manage the affairs of the nation.

Admiral FARGO. Congressman, I agree with General LaPorte. And certainly from our vantage point in the Pacific Command, we haven't seen any appreciable effect in terms of our military-to-military relations as a result of this impeachment, and the government is functioning very properly. Certainly we are committed to the diplomatic track.

Our role in the Pacific Command, which we have learned over many years, is that diplomacy has to be backed by a solid military capability. And that certainly is what we are doing; not to provoke but to deter. And that is the posture we have established.

The CHAIRMAN. I thank the gentleman.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. General LaPorte, just as a quick refresher, it is my understanding that the Chinese Government has more or less said that they would not back the North Koreans—they would not back the North Koreans should the North Koreans initiate an attack, but that they would defend them if they were attacked. Is that correct? Is that in writing? Is that verbal? That is the—

General LAPORTE. I am not sure that I am the right person to comment on China's policies.

Mr. TAYLOR. Okay. I guess my question is, in your mind, what is the difference between a nuclear device in the hands of the North Koreans and a nuclear device in the hands of the Chinese?

General LAPORTE. Well, you are addressing a point of capabilities. And both, obviously, are very significant capabilities. But clearly, in my mind's eye, it is an issue of intent. And what do you intend to do with these weapons? Do you intend to use them in a threatening manner?

North Korea—a North Korean nation with nuclear capability, threatens the entire northeast Asia region as well as other nations in the Pacific. In addition, they are a known proliferator of missiles, missile technology, narcotics, and other illegal activities. What is to prevent North Korea from deciding to sell to other nations or terrorist organizations nuclear-grade, weapons-grade material? That is a significant concern to all of us.

Mr. TAYLOR. General, I have been on this committee now for 14 years. I don't think I have ever heard any of your predecessors mention the narcotics angle until—actually, until yesterday. How long has that information been available?

General LAPORTE. Mr. Congressman, North Korea has been heavily involved in the illicit drug business for many, many years. We have detailed information on that. And they are government-sponsored chemical labs, methamphetamine labs in particular, but a lot of other drugs. As Admiral Fargo mentioned in his opening statement, last year a big contraband shipment was captured in Australia. So much of their working capital, their hard currency is generated by illicit activities.

Mr. TAYLOR. Admiral Fargo, you talked about the entire region. I would be curious if you could give me a quick assessment of the Chinese naval capabilities, and what sort of—what, if anything, is new as far as their capabilities?

Admiral FARGO. Congressman, Chinese naval capabilities are improving through a pretty robust modernization program. Probably at the center of that modernization is the acquisition of Soviet-made kilo-class submarines as well as an indigenously produced Song-class submarines. Their modernization in this area is producing a large and capable and modern diesel submarine force that we are concerned about. Those are probably the areas of greatest concern with respect to the Navy.

There has also been significant modernization in their fourth generation aircraft. They purchased SU-27s and SU-30's from the Russians once again. These are very modern, very capable aircraft that provide them significant capability.

There is other naval modernization going on with respect to surface ships that they are building. I think what you are seeing is the economic development that we are all well aware of in China; that is, somewhere between seven and ten percent is effectively fueling this modernization.

Mr. TAYLOR. General, in the planned move of our approximately 37,000 troops in Korea, at the end of this move—again, your predecessors had spoken on numerous occasion about the approximately 12,000 artillery and rocket tubes in the range of that. At the end of this move, what percentage of that force will be outside of that ring of fire from those tubes?

General LAPORTE. The artillery threat that exists in South Korea right now is a function of long-range artillery fires, primarily rockets, that exist along the demilitarized zone. And they can range to the greater Seoul metropolitan area. The missile threat that North Korea has covers the entire peninsula. So the movement of our forces will always have our forces under the threat or danger of missile attacks. They will be moving south out of the range; their locations will be out of the range of the artillery, and that would be the majority of U.S. forces stationed in Korea.

Mr. TAYLOR. Is that—for some reason, is that number classified?

General LAPORTE. No. It would be the majority, I would say 95 to 98 percent of the forces. There would be forces, obviously liaisons and other functions, that take place in Seoul and north along the demilitarized zone.

Mr. TAYLOR. But other than that, 98 percent would at least be out of artillery range should something happen?

General LAPORTE. Yes, sir.

Mr. TAYLOR. Okay. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Colorado, Mr. Hefley.

Mr. HEFLEY. Thank you very much, Mr. Chairman.

Two or 3 years ago I believe a group of teachers in Indonesia, American teachers in Indonesia, were ambushed; returning on a Sunday afternoon from a picnic, ambushed on a mine company road that was controlled at both ends by the Indonesian military. We pour a lot of funds in there for cooperation with the Indonesian military, and so the Congress voted last year to withhold funds until they would cooperate in a full and complete investigation of this. Well, they have cooperated more. The Federal Bureau of Investigation (FBI) has gone in; the FBI now has published their report, and their indication is that indeed this was probably an ambush by the Indonesian military. They first tried to blame it on the tribal insurgents, but this was automatic weapons; this wasn't bows and arrows, and it is probably the Indonesian military.

Are you familiar with this incident? And what do you see the outcome of this? Where do we go from here? Because we can't just wink at this thing. They killed American people, wounded American people. Admiral?

Admiral FARGO. Yes, I am very familiar with this situation, Congressman, the Timika incident. And certainly we are very focused on it. And as I mentioned in my earlier comments, we should demand full accountability for this incident.

I haven't seen a final FBI report. I have been in pretty close contact with the FBI throughout the investigation to, one, make sure that they were getting the cooperation that they needed to do a complete and thorough investigation.

I have talked directly to General Suharto, and he has assured me that if this investigation shows that there are members of the TNI that took part in this attack, that he is going to hold them completely accountable, and there will be the kind of discipline that we would expect would be very proper in this particular situation.

Mr. HEFLEY. Well, I hope you will hold him accountable for that offer of cooperation, because this is something that we can't allow to go unpunished, it seems to me.

Admiral FARGO. I agree completely.

Mr. HEFLEY. Or we can't cooperate with them anymore.

Can you tell us a little more about the situation in the Philippines right now with the terrorists?

Admiral FARGO. Yes, sir, I certainly can. The Philippines, of course, have been a great partner in the war on terrorism from the outset, and we are working very closely with them to build a sustainable, competent counterterrorist capability.

There is a range of threats in the Philippines. Initially, our principal concern and their principal concern was the Abu Sayyaf crew, which was essentially a hostage-for-ransom group that operated in the southern Philippines and in the Archipelago. We have conducted a number of joint efforts to help provide intelligence and

training and advise the Armed Forces of the Philippines to deal with the Abu Sayyaf group. Probably the one that was the best well-known was on Basilan Island. Exercise Balikatan had some considerable success in removing the ASG, the Abu Sayyaf Group, from the Basilan.

President Arroyo has stated, and we certainly agree, that the principal threat, terrorist threat in the Philippines right now is Jemaah Islamiyah, the JI. And the JI, of course, is an al Qaeda surrogate. We are providing significant support in terms of security assistance to help train the Armed Forces of the Philippines to deal with these groups. And we have trained a number of light reaction companies and light infantry brigades, as well as once again providing them intelligence that would allow them, the Armed Forces of the Philippines and the Philippine police, for that matter, to take effective action against these groups.

Mr. HEFLEY. Are we making progress with it, do you think?

Admiral FARGO. Well, I think we certainly are with the Abu Sayyaf group. You may have seen in the papers, there was a significant arrest over the last few days, somewhere between four to six Abu Sayyaf group members that apparently were involved in the bombing of the ferry recently, and may have been involved in some of the hostage-taking in Southern Mindanao. So I think there is significant pressure on the Abu Sayyaf group.

The Jemaah Islamiyah, I think we are going to have to deal with through solid cooperation amongst all the nations in Southeast Asia so that we share the information in the intelligence between countries like the Philippines and Indonesia and Malaysia and Singapore, so that we can use that intelligence and go after these folks in a very effective way.

Mr. HEFLEY. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Texas, Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

I know you touched a little bit, General LaPorte, about the ability of the South Koreans to defend themselves against a conventional attack from North Korea. But there is talk also about the possibility of moving some of our troops out of South Korea. Do you think that this sends the wrong message when we withdraw troops, especially being that it is a hot spot with North Korea?

General LAPORTE. Mr. Congressman, as you know from your many trips to Korea, we have a very close working relationship with the Republic of Korea military. And we have a process ongoing; it is called the Future of the Alliance Initiative. It is in the second year of a 2-year program. We are addressing and reaffirming our commitment to the alliance. And we are looking at roles, missions of force structure. Up to this point in time, there has been no discussion about troop reductions. There had been discussions about mission transfer and enhancing capabilities. And that is in fact what we are doing.

We are investing tremendous monies, both the Republic of Korea and the United States, to enhance our military capabilities. And I will tell you, from recent major training events, that is working very effectively.

The Republic of Korea is a very credible military. They are highly trained, they are well equipped, and they are highly motivated. They have 690,000 active duty personnel. That equates to 22 active divisions.

So as you can see, Mr. Congressman, they are very capable in their own right. But we work as an alliance. It is very important. And a combined forces command is Iraq/U.S. Alliance. So I think the transformation of the U.S. and the Iraq military is the right thing to do. We need to posture ourselves in terms of enhancing, shaping, aligning forces for the future.

Mr. ORTIZ. You know, one of the things that has worried me in the past years since I have been here is that I know that it is an unaccompanied tour in North Korea. But how many dependents do we have in Korea now?

General LAPORTE. How many family members?

Mr. ORTIZ. Yes, sir. I know we have around 30-some odd thousand troops. But how many dependents do we have?

General LAPORTE. We have approximately 37,000 troops. The percentage that I am authorized to have on unaccompanied tour is 10 percent, but in fact we have about 8 to 7 percent of the personnel are accompanied. So there are approximately 10- to 12,000 family members that are residing in the Republic of Korea. Then, of course, we have Department of Defense civilians that work along side by side with our military.

Mr. ORTIZ. Thank you.

Admiral Fargo, I know that soon it will be time for the U.S. Kitty Hawk to retire. So is Japan making any movements about maybe accepting a nuclear-capable ship to be stationed in Japan when that time comes, sir?

Admiral FARGO. Well, of course, Japan has been a great host to the Seventh Fleet over many, many years, and their support has been absolutely critical to our security in East Asia and the Western Pacific. Kitty Hawk is scheduled for replacement around 2008, that is the date. And we would hope to replace her with one of our most capable aircraft carriers. This is a subject that we will talk to the Japanese about and collaborate with them and work through, as we do with all issues, with a very strong alliance partner.

Mr. ORTIZ. Thank you so much. And I thank you both for being with us today. It is good to see both of you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The distinguished gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Admiral, in your opening statement you mentioned the need for lift; and that caused me to dig into your written testimony here. And I would just like to frame this question this way, by quoting some of your remarks here with which I agree.

As you say, that we continue to work to expand our ability to rapidly flow forces and equipment, at the same time we must efficiently sustain these forces as they move forward.

And then you talk about the C-17. You say PACOM strongly supports the U.S. Air Force and U.S. Transportation Command's efforts to procure at least 222 C-17 aircraft as a minimum baseline

to ensure responsive global mobility and provide the flexibility and capability to support DOD warfighting transformation.

And a little bit later you talk about tanker aircraft. Our national security strategy cannot be executed without air refueling tankers; yet many of our tankers are nearly 50 years old.

These are sets of issues that we are extremely concerned about, and you are absolutely right to bring them to our attention. And I guess my question is this: Earlier today I was with General Cody over at the Pentagon talking about how to improve mobility and more rapid deployability of our forces and the whole set of things are going on in order to accomplish that general goal.

So I guess my question is, first, thank you for bringing these things to our attention. You reinforce some beliefs and some thoughts that we already have.

Mr. SAXTON. My question is, how can we—what were your suggestions on how we can move forward with this mobility lift need that is so severe both in terms of tankers as well as presumably C-17 aircraft?

Admiral FARGO. Well, certainly, Congressman, strategic lift is one of the clearer advantages that the United States has that is unmatched anywhere else in the world. And our ability to produce that lift and tanking is key to the immediate employability of our forces, and that is central to the Pacific Command's strategy.

I think we have got to press ahead with our C-17 program. We have got solid investments in this budget that will provide the infrastructure for C-17s in Alaska, in Hawaii. That is going to be very important. We have got to replace the tanker force with a modern capability.

As I mentioned in my statement, they are in the neighborhood of 45 to 50 years old and a lot of our plans, the plans that General Laporte and I are charged to execute, depend significantly on tankers. Tankers are key to the effective execution of those plans.

Mr. SAXTON. Thank you. And again, I commend you for raising these issues. It is our job to resource them. And I note that the—at the same time the Air Force doesn't have in its palm the additional 42 aircraft that would take us to the 222 that you mentioned.

Have you expressed or can you express your desire to the Air Force above the TRANSCOM level as to how important this is? Can you—have you done that or could you?

Admiral FARGO. I certainly have and will, sir.

Mr. SAXTON. Okay. Thank you.

Mr. Chairman, I think that is the only question I have at this time. Thank you.

The CHAIRMAN. I thank the gentleman. And the gentleman from Arkansas, Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. In the spirit of true confessions here, I think I came in after the gavel went down, and I hate to divulge that, but in fairness to the junior members here, I think I will. Thank you.

The CHAIRMAN. In that case, Mr. Larsen.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chairman and Dr. Snyder, thanks.

The CHAIRMAN. Actually, Dr. Snyder, I think everyone from here on out came in after the gavel went down. But it is okay.

Mr. Larsen.

Mr. LARSEN OF WASHINGTON. I was here. I had to step out for a meeting. I am sure that was the case.

Admiral Fargo, in your testimony you talked about your Maritime Security Initiative and how it is part of the PSI—I think I gathered that, Proliferation Security Initiative.

Could you update us on how that cooperation is working? Could you just give us a feeling, operationally, of how it is working and what hasn't worked and how we can improve it?

Admiral FARGO. Congressman, I would be happy to.

We have proposed what is called the Regional Maritime Security Initiative, which I believe will help operationalize the policy that has been set forth in PSI. Fundamentally, we don't have as clear a view of the sea space, the maritime space, as we do of airspace today.

An aircraft takes off today, we know where it is going, who is on board, and we know its status pretty much throughout its trip. We can't say that about the sea space right now. And we certainly know an awful lot of the transnational threat and transnational crime is communicated through the sea space; and by that I mean terrorism and the trafficking in drugs and humans and piracy and so on.

So our proposal is that we need to put together an architecture, if you will, that allows us to share information and share intelligence that puts standing operating procedures in place with the countries of the region such that we can take effective action against this illicit activity.

There is very large, widespread support for this initiative. I just came back from Singapore and had a very solid conversation with the Sings and they are going to help us with this. My instinct, it probably ought to start at the Strait of Malacca and work its way out, because the Strait of Malacca is fundamental to the movement of all of the energy through the region.

So this is a pretty large and complex undertaking, but I think it is particularly important for our future. We need to know who is moving through the sea space. We need to know the status of those ships. We need participation from the vast majority of them so that we can single out and queue on those that aren't within the law.

Mr. LARSEN OF WASHINGTON. A couple of questions on that. Although this is—the PSI is a relatively new initiative for the administration. It certainly seems to be an important one to help us with proliferation threats. However, how new is it for you, and do you need to be resourced to specifically do it?

Second, a lot of the countries that are part of the PSI are not in this region—Australia is, but you know, Spain and Portugal and the UK and so on. So what kind of cooperation do you expect from, as you mentioned, Singapore, but other countries like Malaysia, Indonesia, any other country that we can point to as a partner in the war on terrorism?

Admiral FARGO. Well I certainly expect expanding cooperation on PSI. You know, most recently India has indicated to us that they

would like to be a part of the PSI. Singapore has recently joined. And, certainly, with respect to the Regional Maritime Security Initiative, I expect a very broad range of support. All the countries in the region are concerned about the transnational threat. As I mentioned, it is terrorism and proliferation, but even the trafficking in humans is a concern. So we need to gain control of the sea space.

I think you will find that all of the countries in the region have an equity here and a means to make a contribution, however modest.

Mr. LARSEN OF WASHINGTON. Are you—do you feel you are adequately resourced to implement this?

Admiral FARGO. Well, I think we are going to have to do—we are going to have to rely on some old capabilities that we have used in the past in the war on drugs, our ability to conduct detection and monitoring; our ability, as we have enforced previous embargoes, to do maritime interdiction operations. These are skill sets that apply also with this particular requirement.

But I think we are also going to have to take a look at how we transform our capability to deal with it. You know, we are looking at things like high-speed vessels, putting Special Operations Forces on high-speed vessels, putting potentially Marines on high-speed vessels so that we can use boats that might be incorporated with these vessels to conduct effective interdiction. And once again, the sea lines or communications where terrorists are known to move about and transmit throughout the region.

Mr. LARSEN OF WASHINGTON. Just quickly, one last question, something different. Are any decisions made or thoughts given to repositioning existing aircraft carriers into—from the West Coast, or the East Coast for that matter, into the Pacific?

Admiral FARGO. Well, I think, as we stated pretty clearly, we are taking a look at the global integrated force posture and footprint, and certainly this will be one of the key issues that we look at as part of this total review. You know, the importance of Asia and the Pacific, I think, is well understood and has been stated clearly by the President. It is very important to the future. Forty-four percent of the gross domestic product (GDP) of the world right now is just in northeast Asia alone, when you take a look at the United States and China and Japan and the Republic of Korea, and that is only going to grow. So the importance of the Pacific and East Asia is going to be tremendously important to the security of our country.

Mr. LARSEN OF WASHINGTON. Thank you. And thank you Mr. Chairman.

Mr. SAXTON [presiding]. Thank you.

Mr. Schrock, the gentleman from Virginia.

Mr. SCHROCK. Thank you, Mr. Chairman.

And Admiral and General, thank you for coming such a long way to share some time with us today.

I left Southeast Asia many years ago, and although I desperately want to return, it just hasn't worked out. The closest I got was when I was privileged to serve on the Pacific island of Guam for 2 years in the mid-1970's, and it is interesting, the subject—I notice there is a delegation from Guam today from the Chamber of Commerce, and I am glad they are here because I think this subject is very important to them, as well.

Even though I haven't been able to return to Korea or Vietnam, I am sure I would find a totally different place than the one I left. And I also believe I would find that a U.S. military presence in that part of the world is a stabilizing factor that is good for our relations and with our allies and, of course, with our foes, as well. So I am glad we are having this exchange of thoughts and perspectives today on the challenges that the Pacific area of responsibility holds for our military. With all the attention that has been given to another part of the world, I think it is very important that we continue to focus on the part of the world you are privileged to represent, as well.

That being said, let me ask this. What steps can you—can we take to increase our presence in the Western Pacific? And given the vastness of the theater and the range of possible threats, is the fleet response plan sufficient to perform the Navy's mission or might it be necessary to permanently shift additional assets, currently based in the continental United States (CONUS), further into that theater, and should we be increasing the size of the fleet in any way to deal with potential threats in that area?

Admiral FARGO. Congressman, we are looking at this very carefully right now. We have, in fact, shifted some assets in the past year. We have made the decision to move three submarines to Guam. Two of those submarines are already home-ported in Guam and are being taken very good care of in Guam. The third one—

Mr. SCHROCK. And Guam will take good care of them, take my word for it.

Admiral FARGO. And Guam will take very good care of them. I know all of the members of the delegation that you have met with from Guam, and they are all good friends and great Americans; and the support from Guam has been absolutely tremendous.

I think, you know, we will take a hard look as part of this integrated global posture review of whether we ought to move more assets forward in the Pacific. That is a key part of our deliberations. And I really don't have much more to add to what I mentioned previously.

Certainly, all of our efforts with respect to this are going to be done in collaboration with our allies. We are going to make sure that we support these alliances that are tremendously important to us today, as they have been for the last 50 years. Our efforts will be to ensure that we have the forces that are immediately employable to deal with the kind of contingencies and the new threat environment that we see amongst us today.

Mr. SCHROCK. Do you believe that Taiwan's desire for increased autonomy and eventual independence could some day create a situation of military confrontation between the United States and our regional allies, including China? And if "yes," are we properly postured to deal with that sort of a threat?

Admiral FARGO. Well, I am not going to try to predict the future, Congressman, as to, you know, what Taiwan is going to do. I think the most important thing is that we have to meet, you know, our responsibilities with respect to the Taiwan Relations Act, as well as provide good advice to Taiwan as to, you know, how they improve their capability to defend themselves; and we are certainly doing that.

Mr. SCHROCK. General, do you believe in light of the situation on the Korean peninsula that we should be changing our force structure in that specific part of the world? And would a different mixture of capabilities be more appropriate than what is currently in place? And what could be inferred from North Korea's dismal economic condition about their ability to prosecute a war with us, with the South, should it come to that?

General LAPORTE. Let me begin by personally extending you an invitation to come visit us in the Korean area, and I am sure Admiral Fargo would like to have you come visit us in the Pacific.

Mr. SCHROCK. The next time my friend, Solomon Ortiz, goes, I will tag along. In fact, I think he is out planning another trip right now.

Mr. SAXTON. Dr. Snyder, it is really your turn, right, this time.

Dr. SNYDER. Thank you, Mr. Chairman.

Mr. SAXTON. Oh, I am sorry. I thought you were finished.

Mr. SCHROCK. No, sir. We were just having a little bantering back and forth. But I had asked a question first.

General LAPORTE. Let me answer your question, the second part first.

Clearly, North Korea is a credible military force. They have 70 percent of their army south of Pyongyang along the DMZ. Their "military first" policy diverts economic resources to the military first, so they maintain a—like I said, a very credible military posture. So the economy has a minimal effect on that.

In terms of forces, what you said is exactly what we are doing. We are looking at shaping our force so that we have the right capabilities for the future threat, both for peninsula security and regional stability. We are enhancing our force significantly, from command and control to high-speed vessels to reinforcement capabilities, prepositioning equipment. All of this is done, being done, in collaboration with the Republic of Korea military as they transform their capabilities and their capabilities.

Mr. SCHROCK. Thank you, General. Thank you, Admiral.

And thank you, Mr. Chairman.

Mr. SAXTON. For the third time, Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Admiral Fargo, how do you balance in your thinking or your investment of time or how you get your intelligence briefings or how you approach your job the—how do you balance that when you are thinking in terms of a terrorist threat from kind of an amorphous, probably disorganized, group of folks versus nation-state China's potential or potential competition with China? What could happen if a flare-up occurred over Taiwan, North Korea versus South Korea, our commitments there?

How do you balance—while it is cleaner to think about the latter two, clearly the loss of life more recently has been coming from terrorism. Tell me how you organize your thoughts and days and your forces on that.

Admiral FARGO. Congressman, I think, without a doubt, the war on terrorism is our top priority in the Pacific Command right now. It is immediate. It is something that we focus on intently day to day. Certainly, that doesn't diminish our focus on our other priorities, as I stated earlier, our efforts in Northeast Asia, our concern

about miscalculation in a place like the Taiwan Strait or, very frankly, looking to the future and our ability to transform our forces to make sure that we can deal with those threats.

But my morning, of course, starts with a very thorough intelligence brief and then an opportunity to sit down with my director of operations, my director of intelligence and my director of plans and policy, where we review the events of the day and, of course, of the immediate future. Those events include, of course, the war on terrorism, things we just talked about with respect to places like the Philippines and Indonesia. It also includes the political-military environment in the places like China, Taiwan and Korea.

Dr. SNYDER. I wanted to ask specifically with regard to Thailand. Your written statement talks about their cooperation on terrorism, but it doesn't specifically discuss their situation. And they have a flare-up that appears to be more than just a flare-up, but probably is going to turn into—may well turn into a sustained problem for them.

Would you talk about the problems they are having primarily in the south.

Admiral FARGO. Well, the Thais are dealing with a very serious concern right now in the south. Of course, they had an attack on an armory that took a large number of weapons that still have not been found.

They are fundamentally reorganizing their approach to dealing with the south. They have put new people in place in the last week. I think it is a concern that, once again, they are intently focused to ensure that they can provide the stability in that important region of Thailand that is necessary to further its economic prosperity.

Dr. SNYDER. How would you judge the current situation with regard to mil-to-mil contacts with China and Indonesia? What is their status and how do you judge the importance of that as you look ahead?

Admiral FARGO. Well, with respect to China, we have a very modest and, I would say, improving mil-to-mil relationship with the People's Liberation Army (PLA). Over the course of this past year, I have hosted my counterpart, the Nanjing region's military commander, General Chu, to Hawaii. We had what I would call an improving set of conversations in that, now that we have met each other a couple of times, there is a much greater ability to have a real dialogue. So I think that is helpful.

Secretary of Defense hosted his counterpart, Minister Cao, and he also came through Hawaii and we had a chance to talk to him in some significant depth.

I will visit China again this summer coming up. That will be my second visit as the commander of the Pacific Command and my third in the last couple of years. I made a previous visit as the commander of the Pacific Fleet. So I think, you know, we are conducting this military relationship within the clear rules set forth by the National Defense Authorization Act. I think it helps communicate the quality of our capability and the quality of our relationships throughout the rest of Asia and the Pacific, and that is good and helpful.

Dr. SNYDER. How about Indonesia?

Admiral FARGO. With respect to Indonesia, we also have a relationship that is governed by the current law. It is contact that is all nonlethal, of course, and in nature it involves the kinds of things that we think would be helpful, bringing their vetted leadership, the people that the embassy have personally looked at, back to places like the Naval Postgraduate School in Monterey, the Center For Civil-Military Relations, so that they are properly trained in the role of the military within a democracy.

I have visited Indonesia twice and a number of my component commanders have. We have done other things to help promote exchanges of subject matter—experts, for example, that deal with the rule of law; that deal with how the law enforcement and military ought to be separated in a counterterrorist effort, those kinds of things that we think will help develop the TNI as a responsible institution.

Dr. SNYDER. Thank you.

Thank you, Mr. Chairman.

Mr. SAXTON. Thank you.

Mr. Franks.

Mr. FRANKS. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here. You know, we had some conversation earlier that North Korea has been known to export illegal drugs and things of that nature, and it occurs to me that a mind-set that would be willing to risk the criticism of the world for doing that would probably not hesitate to exploit their nuclear capability by selling it to others. And I know that is certainly one of the big concerns.

If you had to point to nations or terrorist groups that would be at greatest risk for gaining nuclear capability by having that capability sold to them by the North Koreans—of course, clandestinely—what would be your biggest concern?

Admiral FARGO. Well, I think our largest concern would be if nuclear material was sold to al Qaeda. Clearly, they have the will, and the skill obviously, to carry out a devastating terrorist attack. So, you know, that is kind of the nightmare scenario, and that is why we feel so strongly about a non-nuclear Korean peninsula.

There are other groups, certainly, al Qaeda affiliates that are probably of lesser capability, but should it fall into their hands, they probably would have the capability to do great damage also.

Mr. FRANKS. Well, it just occurs to me, Admiral, that, you know, of all the threats that we may face—conventional threat against South Korea, even, perhaps; and I might have a follow-up question about conventional threats to some of our fleet in the region—but it seems to me that of all the things that could destabilize our country and be a serious threat to us, socially and economically and, certainly in terms of our confidence in American security, that this threat related to North Korea selling nuclear weapons to al Qaeda or other terrorist groups could really easily find its way to the very top of my grave concern list.

Do you think that you are being afforded the necessary resources and focus of not only political resources, but financial resources to deal with this? Is this something that is really in the forefront of our mind, or is it subordinated to some of the other issues?

Admiral FARGO. Congressman, I think it is precisely at the forefront of our minds. It is why I mentioned it right out of the blocks in my oral statement and have in my written statement, and certainly it has been the subject of numerous conversations and meetings that both General LaPorte and I have had with the senior leadership in the Office of the Secretary of Defense (OSD) and the Joint Staff.

I think we are not only focused on this, but have the resources to do—as I said earlier, to make sure that we have the military capability to back up the diplomatic effort that is ongoing and is very proper. And certainly the readiness of those forces is not only adequate, but very good.

Mr. FRANKS. Well, please, General.

General LAPORTE. I would just add, I agree totally with Admiral Fargo that a nuclear weapon in the hands of a terrorist organization is one of our greatest concerns, and given the history of North Korea relative to selling missiles and missile technology, it is a concern we must address.

Mr. FRANKS. Well, gentlemen, it sounds like, you know, that sometimes, you know, we have to just restate the obvious; and that is essentially what I am doing. I know that these issues, it is obvious that they are in the forefront of your minds, and I apologize for not being here at the drop of the gavel and not hearing your earlier testimony. But this seems to be just a fundamental matrix that if you have al Qaeda with the mind-set and the intent and the intense desire to use nuclear weapons against the United States, the source seems to be the greatest variable here. And if North Korea has gained nuclear capability and they have demonstrated the mind-set to sell even, you know, illegal drugs or nuclear weapons, I just feel like that should be almost an overwhelming occupation of our concern.

And I appreciate all of you being here.

Thank you Mr. Chairman.

Mr. SAXTON. Thank you, Trent.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

And General LaPorte, Admiral Fargo—Admiral, it is nice to see you again, and thank you for your kind words about Guam. You and I have a similar perspective on the world because of our focus on national security concerns in the Pacific and our work to strengthen relations with our neighbors in Asia. And given our similar interests, I have a couple of questions for you this morning, Admiral.

In my mind, nothing says I am interested in providing security and stability more than an aircraft carrier. Placing an additional carrier in the western Pacific saves valuable steaming time, and our allies know that we can respond in an instant. And as you yourself have said, Admiral, in the past, Guam is the center of the universe. Guam and the Marianas are America's front line of defense, the closest U.S. soil to east Asia.

If I appear eager to press this issue, it is because the decision to move an aircraft carrier has a large impact on any community in which it is home-ported. Any community that hosts an increased

military presence must make sure it has the necessary infrastructure, facilities and community support.

Admiral, this morning at the public hearing we have a delegation from the Guam Chamber of Commerce, including the president and other officials, and they are here in Washington to address these very issues with the Pentagon. So I would like to ensure that any decision you make regarding the carrier, or other assets for our territory and our area, is shared with the affected community well in advance.

When we last had a dialogue in Congress on this issue—I think it was over at the International Relations Committee last year—you said it was too early to discuss the issue. But there have been a number of comments made since, both off and on the record, the latest when a congressional delegation met with you in Hawaii—you remember, Admiral, on our way to the Pacific islands and Guam. And I asked you the same question.

So I would like to ask you simply, Admiral, where do we stand today?

Admiral FARGO. Well, Congresswoman, the “Guam is the center of the universe” comment that I made very clearly refers to the map of the world that I have in my office. It is a great map. It covers probably a hundred square feet and, of course, Guam is at the center of the universe in that map.

Ms. BORDALLO. I just wanted my colleagues to know that.

Admiral FARGO. Of course, I think that there are very solid arguments for moving an aircraft carrier in the Pacific, you know, based on our plans and potential contingencies and the current threats. But, once again, that has to be balanced with the rest of our concerns throughout the world, and those deliberations and those decisions are certainly ongoing right now. They haven’t been made yet, and Guam is going to get, I am sure, every consideration within this because of the strong support that Guam provides and its strategic location. But I think it would be certainly premature of me right now to speculate what kinds of decisions will be made with respect to that issue.

Ms. BORDALLO. Thank you very much, Admiral. I respect your candid comments.

The second question I have for you is, I would like to now turn to homeland defense. You have the same duty as your Northern Command (NORTHCOM) counterpart, General Eberhart, to provide military support to civilian agencies in the event of a terrorist attack. I am concerned that you have not been given the same assets and funding as NORTHCOM to meet this mission, assets under your command like the Helicopter Combat Support Squadron, the HC-512, Guam, with a civil support mission. And these helicopters have assisted in numerous search and rescue operations over the years.

I would not see any move by the Navy to privatize their mission. In fact, I would like to see an increase in civil support capability and that is why I was very disappointed by the recent announcement by the Secretary of Defense on the next round of National Guard weapons of mass destruction civil support team (CST) deployments, which left out Guam.

I discussed this issue with General Blum from the National Guard Bureau, and he said that they were so concerned at the lack of a CST unit, that they were even considering the permanent deployment of Hawaii National Guardsmen to Guam. And this idea goes against the intent of Congress, because we authorized each State and territory to have a team; and it is clear acknowledgment that the closest WMD-CST cannot deploy to Guam or the Commonwealth of the Northern Mariana Islands (CNMI) in time. Yet, we still don't have a team.

The President's budget request for 2005 only includes funding for four new teams, and there are 11 States and territories without a WMD-CST. Now I am concerned that unless you make your support for Guam's getting a team known to Secretary McHale, we will not have one funded until 2007.

So could you share, Admiral, with the committee the importance of your homeland defense mission and how important the National Guard and units like the Helicopter Support Squadron are in meeting this mission requirement for PACOM.

Admiral FARGO. I would be happy to. We have done a great deal of work on homeland defense and homeland defense planning in the Pacific Command. We have worked very closely with the Northern Command to make sure that we are following precisely the same principles and philosophy, and certainly we are intent on ensuring that we have the resources to execute our plan with great alacrity.

As part of this, I have appointed the Commander of the U.S. Army, Pacific, as my Joint Task Force Commander For Homeland Security. Obviously, Lieutenant General Jim Campbell has great capacity to help influence these events and provide resources to this particular mission. And he will be reinforced by the other component commanders within the Pacific Command.

We have a solid plan that, as I said, takes into consideration not only Hawaii and Guam, but all of my responsibilities throughout the Pacific of U.S. possessions and territories and the other entities that we have a national security relationship with.

I will go back and talk to General Campbell specifically about the issue you raise on the CST teams. And we will take a look at that.

Ms. BORDALLO. Thank you. Thank you very much, Admiral.

Thank you.

Mr. SAXTON. I would just like to say that—let's see, we have got one, two, three, four more questioners, and if we stick to the five minute rule we can make it. There is supposed to be a vote around noon, and I can't come back after the vote.

So if the remaining questions could be asked in a concise way so the Admiral and the General can answer them in a concise way, then everybody will get a chance to participate. And we are going to Ms. Davis next.

Ms. DAVIS OF CALIFORNIA. Thank you. Thank you very much, Mr. Chairman, and thank you both for your service. And I am sorry that I missed a number of the questions that my colleagues had asked. I actually was sitting in on a hearing on sexual assault in the military, which is a concern that we all share.

But I wanted to ask, in light of a simulation exercise that I took part in yesterday at the National Defense University and this dis-

cussion of the role that China is playing vis-a-vis North Korea, or that we perhaps hope it to play—and I know that your area is not the State Department, but from a military perspective, I wonder if you could comment on China's involvement with us, with the U.S., in their dialogue with North Korea.

Was that more of an exercise in demonstrating their influence, or a real attempt to help us? Is that something from a military perspective that you can comment on?

Admiral FARGO. Congresswoman, I can provide some comment on this. Certainly I think that China has been very helpful with respect to the six-parties talks and the diplomatic effort to resolve the issue with respect to North Korea's nuclear capability. My personal view is, I think they are doing it because they find it in their national interest, that we have a shared interest here, that China really does believe that it is not in their interest to have nuclear weapons on the Korean peninsula.

Ms. DAVIS OF CALIFORNIA. And, General LaPorte, would you care to comment as well?

General LAPORTE. Well, I agree with what Admiral Fargo said, and I don't think I could add very much more.

Ms. DAVIS OF CALIFORNIA. Thank you.

Perhaps in your discussions earlier you had an opportunity to talk a little bit about whether or not the issues that you face in the Pacific are compromised in any way by our activities today in Iraq and Afghanistan. Are there concerns that you have in terms of the force structure there that you are comfortable commenting on? What would we certainly want to be certain is not de-emphasized as we continue to have focus whether it is not necessarily in the military, but certainly in terms of public opinion, in terms of readiness and our own discussions here?

Admiral FARGO. I think it is very important to recognize that the Department of Defense remains very focused on Asia and the Pacific; certainly General LaPorte and I have met very frequently with the Secretary of Defense on this. He has been out to Korea and Japan recently.

We were essentially untouched during the first rotation of forces into Operation Iraqi Freedom and Operation Enduring Freedom. We sent the carrier Kitty Hawk, but that was immediately back-filled with the carrier strike group Carl Vinson.

There are rotations now that are moving out to Southwest Asia from the Pacific. But the Navy and the Air Force, of course, have been able to reset their forces relatively quickly from the war, and as a result, we have significant force structure, significant capabilities, if you will, that allow us to mitigate those rotations of forces into Southwest Asia.

So we have taken, you know, a very thorough look at this and evaluated the risk. I think the risk is both reasonable and responsible. And as I said, we have adequate forces to deal with it.

General LAPORTE. And I would just comment on the Korean Peninsula, the operations elsewhere in the world have not had an impact at all on our training and readiness. And I work very closely with Admiral Fargo relative to forces that would support and reinforce the peninsula, and we are both confident that the services are providing the capabilities necessary.

Ms. DAVIS OF CALIFORNIA. Thank you.

Thank you, Mr. Chairman.

Mr. SAXTON. Thank you.

Mr. Ryan.

Mr. RYAN OF OHIO. Thank you, Mr. Chairman.

I want to ask one question, Admiral. You had in your written testimony here, saying that "We also sense increasing synergy between transnational threats like terrorism, illicit drug trafficking in humans and piracy." can you talk a little bit about the piracy and how that seems to fit into the transnational threat and the synergy you mentioned?

Admiral FARGO. Yes, sir. I certainly would be happy to.

The piracy in Southeast Asia is a very real concern. Certainly, it is a growing threat that the nations within Southeast Asia and especially those in the immediate bordering countries, the Malacca Strait, are very focused on.

These pirates have the ability to board ships and rob them, and in some cases, they have taken whole ships and moved them to a location where they could sell them and sell the cargo, so on and so forth. I mention this as part of the transnational threat concerns because I think that there is a common thread here, and an awful lot of this is facilitated by communications through the sea.

In other words, the trafficking drugs, as we talked about—we mentioned the North Koreans moving drugs to Australia that were interdicted over a year ago—the trafficking in humans, the ability to proliferate weapons of mass destruction or other weapons, and the movement of terrorists all can be communicated through the sea. Piracy is another example of that. So that is why we are working as hard as we are to put together the Regional Maritime Security Initiative because, you know, this is pretty vast space and no country can do this by themselves, so it is going to have to be a multinational, a multilateral effort, if you will, to deal with this particular problem.

Mr. RYAN OF OHIO. Thank you.

Switching quickly to China, the information that we have before us is that they are spending, or were spending, 4.3 percent of their GDP on their military. And some analysts are saying that that is not really reflective of the actual amount that they are spending, that there are a lot of hidden costs there.

Can you talk for a few seconds, since our time is limited, about that? And then in 2002, 2003, 2004, and really over the last decade there have been double-digit increases in China's military budget; and I guess a more specific question is, is that primarily—are they preparing primarily for some kind of conflict with the U.S. over the issue of Taiwan?

Admiral FARGO. Well, I think it is always difficult to try to judge what China's military budget is because there are off-budget pieces that are difficult for us to assess. So there are some classified intelligence estimates that do that in some detail.

What we know is, it is growing. They have announced that it is growing. I think they announced a 12 percent increase in their defense budget this year, and we are certainly seeing that in the modernization of their forces. So that is—I think that is all pretty clear.

What their intent for this military is, you know, impossible for me to assess. What I have to be able to deal with is the capability, and I think we ought to recognize that China in the future is going to have a very modern and capable military.

Mr. RYAN OF OHIO. General?

General LAPORTE. I couldn't add much to that in the interest of time.

Mr. RYAN OF OHIO. Okay. One final quick question.

Mr. SAXTON. Make it quick if you could because you have got one minute.

Mr. RYAN OF OHIO. I will yield back. Thank you, Mr. Chairman.

Mr. SAXTON. Thank you.

Mr. Skelton.

Mr. SKELTON. A follow-on. Has there ever been a time in history when there has not been piracy in the Pacific?

Admiral FARGO. Not certainly in my memory, Congressman. It doesn't go back much more than about 55 years, though.

Mr. SKELTON. But you told Mr. Ryan that it is a serious, ongoing problem today.

Admiral FARGO. Yeah. I think that certainly there has been piracy as long as there has been the ability to go to sea probably. But it is something that we are hearing with much greater concern from within the nations of Southeast Asia and, really, nations of the Pacific. Anybody that uses the Malacca Strait, it is a concern.

Actually, an office has been set up in Kuala Lumpur to track these piracy issues so that we can get a better feel for the scope of the concern.

Mr. SKELTON. A number of years ago, I think it was when I was visiting you, we flew over the Malacca Strait, and the ships were lined up coming through that; and when we say it is a crowded avenue, it really is.

Let me ask this of each of you, if I may: Both of you work with our allies and, Admiral Fargo, your statement notes that Japan's commitment to the self-defense force personnel to Iraq—of course, we have seen the news on that—and both of you mention the Republic of Korea's commitment of personnel to Iraq; and we know how much Australia has committed to the effort.

A Pew Research study found that 75 percent of Indonesians were very or somewhat worried about the potential of an American military threat. And of the two east Asian nations it surveyed, South Korea and Indonesia, both showed a drop in favorable views of the United States after the war.

Now, South Korea dropped from 53 percent in the summer of 2002 to 46 percent in June of 2003. Indonesia went from 61 percent down to 15 percent over the same period. This is a serious public opinion challenge. So how would each of you characterize the attitude toward the United States in different parts of the region, and what should be done to strengthen their relationships? Admiral Fargo first, then the General.

Admiral FARGO. Well, I think the support in the region is really very solid, Congressman, when I look from Northeast Asia to Southeast Asia. You mention the contributions to Operation Iraqi Freedom and Japan and Korea and Australia, but they also come from Thailand and Singapore and the Philippines.

I was just in Fiji and they have offered to make a contribution. Mongolia has made a contribution. Tonga would like to make a contribution. India was one of the first countries to provide Strait of Malacca patrols after 9/11. So I think the support is really very solid.

Obviously, it is a continuing effort to make sure that we articulate our policies and the clear need to deal effectively with the war on terrorism, and we are doing that. From my standpoint, the mechanism that I have available that I think is particularly effective is the Theater Security Cooperation program where I have the ability to interact with these militaries, and other agencies besides the militaries, too, so that we can properly convey American values and make sure that we have solid partners to move forward with in terms of the security of this important region.

General LAPORTE. Mr. Congressman, the concern you raise is a concern to us also. And polling is just one indicator of what a nation's people feel about another nation.

I will tell you, living in the Republic of Korea on a daily basis, the citizens of that great republic show great dignity and respect to the U.S. service members that are serving there. The military leadership is rock solid in this alliance in terms of the Combined Forces Command, and we get tremendous support from the national leaders in the Republic of Korea.

As I stated earlier, democracy allows people to have different perspectives and to voice those perspectives. So I think it is healthy that you have these types of debates that take place in these nations. But it doesn't mean that they have any less resolve in supporting their alliance with the United States.

Mr. SKELTON. Thank you.

Mr. SAXTON. Thank you, sir.

Mr. Smith.

Mr. SMITH. Thank you. I want to follow up just briefly on Ike's question.

The problem that I see, we do get fairly good support from the governments in many cases, not in all cases, but even the governments that are supporting us, their people seem to be against us. And that, you know, that is a long-term problem.

You know, as we saw in Spain and conceivably see in other places that, you know, absent the support of the populace, these leaders, you know, making the right call, supporting us as they should, are going to have a hard time doing that.

I offer that as an observation more than anything, that we really need to focus on the people themselves, not just on figuring out some way to get the leaders to go along with us because, you know, it is putting those people out on a limb—you know, people like Tony Blair and others who have been terrific in helping us. And they are out on a pretty serious limb when the public opinion is so solidly against them and efforts to improve those diplomatic things are very important.

I just want to ask about North Korea. I participated in the same operation or the same exercise that Congresswoman Davis and others did, and the challenge that I see is where North Korea is headed seems unacceptable, which is, they are advancing in some cases in fits and starts with their nuclear program and their missile pro-

gram. And then they just seem to, sort of along the way, you know, blackmail us, you know, mess around with us, sign on to agreements they have no intention of following.

But it is still this inexorable march toward, you know, nuclear capability and long-range missile capability. And that is a huge threat, as both of you mentioned, because of who they might sell it to, not to mention the fact that their possessing it alone is a problem. But the real problem is who they might sell it to.

So the current trajectory just doesn't look like it is going to get us where we need to be.

Now, the alternative to that is to draw a line in the sand and say, you know, if you test another missile, if you continue to proceed with this, we will—you know, we will respond militarily to take that out. And there is a huge line of risks, and that is part of the reason the folks in South Korea are so nervous; if we escalate it in that way, they are the ones who are going to bear the brunt of it.

Given that sort of rock-and-a-hard-place scenario, you know, stay where we are, let North Korea sort of drift in a direction that we desperately don't want them to go, or draw a hard line that may require military action with unpredictable consequences, what do you think is the best choice?

And I want to sort of add on to the last part of that, what do you think the likelihood is, if we draw that line, they cross it and, say, we go in and take out a nuclear facility or take out a proposed missile test, what do you think the likelihood is that North Korea would, you know declare war on the South and respond militarily? Or is it possible that all of that is bluster and that would cause them to pull their horns in? What is your assessment?

General LAPORTE. First of all, I am not a policymaker, sir. I would not attempt to answer what the policy should be.

But I think we should have a strong military capability that is coupled with a very strong diplomatic effort. And we need to be able to demonstrate tremendous capability and resolve it in both of those arenas. And I think we are doing that right now in the six-parties talks and also with our military training and readiness in the Republic of Korea.

Mr. SMITH. Certainly. And on the military question, if it came to a military conflict on the Korean Peninsula, I mean, what is your assessment on whether or not we could be successful in pursuing a military option if whatever line we drew was crossed?

General LAPORTE. The threat that North Korea presents to the Republic of Korea and U.S. forces in Korea is a function of the proximity that those forces are to Seoul and to the military formations. So war in the peninsula would be a very, very destructive and costly war. But I would be quick to tell you that ROK and the U.S. military alliance is a very ready and trained force, and Admiral Fargo's ability to reinforce is also very well developed.

Mr. SMITH. Thank you.

Thank you, Mr. Chairman.

Mr. SAXTON. Thank you.

Mr. Wilson.

Mr. WILSON OF SOUTH CAROLINA. Thank you, Mr. Chairman.

And, General LaPorte, I want to thank you for your hospitality when I visited the DMZ two years ago. It was an extraordinarily eye-opening experience to be at the last site of the Cold War. And I was so impressed by the dedication of your troops and the competence, and it is very reassuring to know of their leadership and their abilities. And thank you so much for your service.

I also had the opportunity last year, and I appreciate it, going with Chairman Curt Weldon on the delegation to Pyongyang. And we learned first-hand that North Korea claimed to have nuclear weaponry. My concern, though, that I expressed to them that seemed to be understood by Libya is that by having nuclear weapons, that is destabilizing rather than stabilizing. Do you see any—and I know it may be a policy matter, but is there—do you see any steps toward again denuclearization on the Korean Peninsula?

General LAPORTE. Well, I haven't seen any in that regard. In fact, North Korea's public statements are that over time they will continue to build their nuclear deterrence.

Mr. WILSON OF SOUTH CAROLINA. And that is just so unfortunate. But, again, I have faith in your capability.

Admiral Fargo, I appreciate seeing in your comments the efforts being made by the United States to prevent miscalculation in regard to tension between India and Pakistan. And I am very grateful to be the cochair of the India Caucus, and it has been an extraordinary year of increase of U.S./Indo military exercises and cooperation and the strategic partnership missile defense, on and on. It has been extraordinary. Additionally, I believe a stable Pakistan is to the advantage of India.

The concern I have, though, is the Taiwan Strait. And I had the opportunity to visit Taipei several years ago. I was so impressed by the dynamic economy, and then two years ago to visit Beijing and again see a dynamic economy. But I am just really concerned about miscalculations that could be obviously catastrophic for Taiwan, but it would be catastrophic for a modern China. And do you feel like the deterrence is in place to avoid miscalculation? And I share the concern of Congressman Schrock.

Admiral FARGO. I think for starters, Congressman, the President has made it very clear that we oppose any unilateral change in the status quo there just so that we can achieve precisely the objectives that you discuss. I am pretty confident of our deterrent capability. Certainly, we are well postured right now; we understand the problem; our forces are well trained; so, our ability to dissuade and deter China, I think, is really very good.

Mr. WILSON OF SOUTH CAROLINA. Well, I want to thank you for your efforts, because, again, India and Pakistan are obviously doing better working together and then coexisting with great exchanges between the two.

Admiral FARGO. It really has been a very good couple months here.

Mr. WILSON OF SOUTH CAROLINA. And I understand Prime Minister Vajpayee has been certainly working with President Musharraf in a very positive manner, and, lightning is going to strike, even making progress in Kashmir. But additionally, I hope for the mutual benefit of Taiwan and China, that there is understanding that miscalculation would not be in the interest of China.

Thank you very much, Mr. Chairman.

Mr. SAXTON. Thank you, Mr. Wilson.

Mr. Taylor has a question.

Mr. TAYLOR. General LaPorte, I am just curious. In your estimation, is the risk of a war with North Korea greater now than one year ago, five years ago? And asking you to look into the future: What are we going to hear one year from now as far as the situation in Korea? The first two are your opinion, obviously, comparing it now to one year ago and five years ago. And the other one, I really would value your prognostication.

General LAPORTE. Well, it is difficult to look into the future, but as we assess the military capability of North Korea, I think I have mentioned several times, it is a very credible conventional force. The thing that concerns us the most is the development of their asymmetrical threats, their special operating forces, their weapons of mass destruction.

The conventional force I would say has pretty well held steady for the past 12 to 24 months that I have been in Korea. We have watched their training, obviously, very closely. Their training has been within seasonal norms for the past five years. We know that they are experiencing some shortages in fuel, and that is limiting a lot of their training, especially beyond the small-unit level. But they demonstrate capabilities, conventional capabilities, on a daily basis.

The future is just very hard to predict. I would say in a conventional manner I think you are going to see I will come back next year and testify, and short of some situation that goes differently, I think the conventional threat will remain constant. It is the asymmetrical threat with the weapons of mass destruction that is the unknown.

Mr. TAYLOR. I guess it would—as a taxpayer and as someone who has to answer to the taxpayers where their money goes, I have got to express my concerns that when I hear the administration, you know, toying with the idea of the withdrawal from Korea, then—and I do very much understand the quality of life, and in particular I have seen some of the buildings we have there in Korea, and obviously I would not want my son or daughter stationed in them, so I understand the need to replace them. I guess my only concern is I would sure as heck hate to build a new base just to have the Administration decide to bring the folks home. That would seem to be a wasteful expenditure of tax dollars.

How long do you anticipate that we will have troops in Korea? For the foreseeable future?

General LAPORTE. Well, I think both our nations have committed to an enduring presence of the U.S. military on the peninsula even after some form of reconciliation between South and North Korea, and that is primarily to provide regional stability. Up to this point in time, in the future of the alliance studies there have been no discussions of troop withdrawals. It has really been a discussion of enhancing capabilities, shaping and aligning forces for many reasons. But it is an increase in commitment to the Republic of Korea by the United States. We are not lessening our commitment at all.

Mr. TAYLOR. Admiral Fargo, to shift gears, I have been curious, I remember I guess it was about three years ago right now when

the collision of the Chinese plane with our P-3. And looking back on it, was that a one-time event by one overly ambitious Chinese pilot? Is it something that continues to this day, the near passes with our aircraft? And I would hope you would speak freely on that. I would hate to have you tell me one thing and then read the New York Times tomorrow and read something else.

Admiral FARGO. Congressman, I think, you know, we have done a very thorough analysis of that collision, and, in fact, I made a recent classified report to the Joint Staff as to our assessment of precisely what happened. Certainly, the Chinese pilot was very aggressive and irresponsible, in my view.

I think we have seen a change in their behavior since then in the manner in which they conduct their operations. It appears to me right now that they are operating in a manner that is more responsible, much safer. And we will continue to track this very closely to see if we have any signs that that, in fact, is changing.

Mr. TAYLOR. What can you tell me about the incident involving the oceanographic vessel that was pursued by the Chinese naval forces, I want to say, last summer?

Admiral FARGO. Well, we disagree with the Chinese over our interpretation of the law of the sea. And we believe very clearly, and I think this is—in my view, this is the larger interpretation that the international community agrees to—that those hydrographic vessels can operate and are operating in international seas. The Chinese have a different interpretation that deals with their exclusive economic zone and so on. So there we don't see it the same way. We have a commission together where we sit down with the PLA Navy, the Military Maritime Consultative Agreement (MMCA) Commission, that is specifically designed to see if we can close this gap in interpretation.

Mr. TAYLOR. Does that happen on a regular basis? I happen to be aware of that one because I knew some crew members aboard that vessel, and probably would not have known about it unless I knew some crew members on that vessel. Is that happening on a regular basis?

Admiral FARGO. It happens occasionally, I think would be a better way to characterize it. But once again, the Military Maritime Commission that we have put together with the PLA Navy is allowing us to ensure that we put procedures in place to operate safely without giving up our inherent right to operate in international waters.

Mr. TAYLOR. I am not so sure you answered my question. I thought my question was, is that happening on a fairly frequent basis, or was that a one-time incident?

Admiral FARGO. The answer is it is not happening on a frequent basis; it was not a one-time incident.

Mr. TAYLOR. Has it happened a dozen times?

Admiral FARGO. Well, I would be happy to get you a specific report on how many encounters there have been.

Mr. TAYLOR. In the past 12 months—may I make this request of you? I would like to know how many similar incidents there were to that. And if you don't know off the top of your head, I certainly understand.

Admiral FARGO. I don't know off the top of my head. There have been a couple of others, but it has not been something where I was concerned about the safety of our ship.

Mr. TAYLOR. In none of those instances were you concerned about the safety of your ship?

Admiral FARGO. That is correct.

Mr. TAYLOR. Again, for the record, I would like to know in the past 12 months.

Admiral FARGO. I would be happy to get those for you, Congressman.

[The information referred to can be found in the Appendix beginning on page 1016.]

Mr. TAYLOR. And, again, thank both of you gentlemen for traveling so far to be with us.

Mr. SAXTON. Thank you, Mr. Taylor, Mr. Skelton.

And, Admiral, General, thank you for being with us here today. As you can tell from the buzzers, we are being called to do our duty. But thank you very much for being here today, and thank you for your great concise answers. Thank you for what you do for our country. And when you get a chance, pass along to the men and women that work for you how much we appreciate what they are doing, as well.

General LAPORTE. Will do that.

Admiral FARGO. Thank you.

[Whereupon, at 12:10 p.m., the committee was adjourned.]

A P P E N D I X

MARCH 31, 2004



PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 31, 2004



OPENING REMARKS OF CHAIRMAN HUNTER

**U.S. Pacific Command & U.S. Forces Korea
FY 2005 Posture Hearing**

March 31, 2004

This is the Committee's third hearing to review the posture of our combatant commands. Given the controversy surrounding elections in Taiwan, it couldn't be timelier. Our guests this morning are:

**Admiral Thomas B. Fargo, USN
Commander
U.S. Pacific Command**

**General Leon J. Laporte, USA
Commander
U.S. Forces Korea**

Welcome to the Committee gentlemen. We look forward to your testimony and appreciate your appearance this morning.

On March 20th, Taiwan conducted an election to choose its next president—just one day after an assassination attempt on one of the two leading candidates and his running mate. The sitting President, Chen Shui-bian, survived the assassin's bullet and went on to win re-election by just two-tenths of a percentage point. Since then, the opposition party has contested the election and supporters of both candidates have held large street demonstrations. If nothing else, Taiwan's elections have reminded us that democracy is messy, but it is still democracy.

Contrast that with events across the Taiwan Strait:

- where the people of China have no voice in choosing their leaders;
- where the people of Hong Kong have unsuccessfully protested their slow-but-steady loss of liberty and democracy;
- where people are not free to practice their faith; and,

- where the government has pursued double-digit increases in defense spending for a decade, well in excess of its legitimate defense needs.

The situation across the Taiwan straits deserves our special attention because it has long been recognized as an international flash-point. But, it also points to the extreme range of conditions that exist in Asia: a fledgling but successful democracy just over 100 miles from the world's last major communist dictatorship. Or consider the Korean peninsula, where capitalism and democracy thrive south of the DMZ, but repression and famine are commonplace to the north.

The contrasts highlight what a dangerous, and uncertain, place Asia can be. While we have solid alliances with key states, the Pacific Command's Area of Responsibility is also home to some of the most troublesome security problems on the planet. Three of them stand out in particular.

First, the balance of power is changing across the Taiwan Strait. China continues modernizing its military with the most advanced technology available from Russia. Taiwan, on the other hand, continues cutting its defense budget. These diverging military trends highlight a political problem, in which China constantly seeks to strangle more assertive demonstrations of Taiwanese democracy, lest the people of Taiwan decide that they don't want to surrender their rights in order to become part of greater China. Those trends are accelerating, undermining the fragile standoff that has secured peace across the strait for most of the last fifty years.

Things aren't much better on the Korean peninsula, where North Korea has reneged on its nuclear nonproliferation pledges and claims to have built an atomic bomb. Ironically, some of the very same people that attack the United States for unilateralism are

now attacking it because the Administration insists that the nations of Northeast Asia resolve the problem multilaterally.

We can round out the trifecta of security threats by noting that Islamist-inspired terrorism has gained a foothold in Southeast Asia. Jemah Islamiyah, an Al Qaeda affiliate, has established a presence across the region, particularly in Indonesia, Malaysia, and Singapore. Abu Sayyaf and the Moro Islamic Liberation Front continue their war against the democratically-elected government of the Philippines. Both reportedly have ties to Al Qaeda.

While we seek diplomatic means of solving these problems, there should be no doubt that the military stands on the front lines in ensuring that they don't get out of hand. We absolutely must be ready, willing, and able to defeat aggression in the region in order to deter it. Everyone must know that force is not an acceptable way of resolving Taiwan's status. And, while we wish the people of North Korea a brighter future, the dictators in Pyongyang must

understand they will not be allowed to threaten us with nuclear weapons. And finally, our staunch allies in the region, including Japan, Australia, and the Philippines, must rest assured that our security commitments to them are unshakeable.

Gentlemen, I look forward to hearing how the forces under your command are accomplishing those missions today, and what you need from us in order to accomplish them tomorrow.

But first, let me recognize the committee's ranking Democrat, Mr. Skelton, for any remarks he may wish to make.

The entirety of our witnesses' prepared statements will be entered into the record.

Admiral Fargo, the floor is yours.

**Opening Statement for The Honorable Ike Skelton (D-MO),
Ranking Member, House Committee on Armed Services
Posture Hearing with Combatant Commanders of U.S. Pacific
Command and U.S. Forces Korea**

March 31, 2004

Thank you, Mr. Chairman. I join you in welcoming back Admiral Fargo and General LaPorte. I thank each of you for joining us and for your continuing service. We are enormously proud of all the men and women who serve with you in each of your commands.

Last year you visited with us one week before the war began in Iraq. In the year since, we in Congress and the American people have focused a lot of attention on what is happening in there and for good reason.

But the Pacific region remains enormously important—both because the challenges there are great and because our allies and friendships there are enduring. Negotiations continue to bring an end to

North Korea's nuclear weapons program. And while conflict on the peninsula may not be likely, the prospect that North Korea continues to develop its nuclear capacity—combined with its history of proliferation behavior—makes this a critical priority for continued deterrence and resolution.

Beyond the Korean peninsula, there are other challenges as well—from the Taiwan Straits to the ongoing work with our partners throughout Southeast Asia to fight extremist Islamic groups with ties to al Qaeda. A hearing like this is very important to remind us of how much is happening in the Pacific and the region's strategic importance.

Part of the reason I have remained concerned about our military end-strength is because of this region's importance. We must be able to undertake the range of missions in Iraq, Afghanistan, and globally in the war on terrorism while still being able to fight and win a conflict in the Pacific theater if the worst happens. Our troops are stretched thin and have been for some time. I think we need more troops. That would help

you in the Pacific and Korea, as well as the other combatant commanders.

The committee has begun to hear about how changes to the global footprint will be implemented in the region. I understand that there are still consultations ongoing with our allies in the region, but I hope you will update us on what those changes are likely to mean in the region and for troops coming back to the United States.

I thank you both again for testifying and for your service. Thank you, Mr. Chairman.

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STATEMENT OF
ADMIRAL Thomas B. Fargo, U.S. NAVY
COMMANDER
U.S. PACIFIC COMMAND
BEFORE THE HOUSE ARMED SERVICES COMMITTEE
ON U.S. PACIFIC COMMAND POSTURE
31 March 2004

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INTRODUCTION

Mr. Chairman and Members of the Committee:

On behalf of the men and women of the United States Pacific Command, I thank you for this opportunity to testify on the posture of our command, including an assessment of security in the Asia-Pacific region.

Dramatic events of the past year in Southwest Asia, for which Pacific Command has been a primary force provider, have not eclipsed the importance of Asia-Pacific threats to global security.

First and foremost, we remain keenly focused on the Korean peninsula, where although I believe the likelihood of war is low, the stakes would be very high if war occurred - and even higher if North Korea continues to pursue nuclear weapons capabilities. Our role at Pacific Command has been to ensure diplomacy is backed by viable military capabilities. We continue to do so.

Next, we are actively working to prevent miscalculation resulting in conflict between India and Pakistan or in the Taiwan Strait. Recent dialogue between India and Pakistan and the resulting relaxation in tensions are very positive signs. Our modest but constructive military-to-military relationship with China features high level exchanges like Defense Minister Cao's visit to Washington and Hawaii last year, and events that demonstrate the high quality of our forces, such as the recent port call of USS BLUE RIDGE in Shanghai. Meanwhile, Taiwan clearly remains the largest source of friction in our relationship with China. We remain prepared and committed to meet our obligations under the Taiwan Relations Act.

Transnational threats are a continuing concern in the Pacific region. Despite recent and notable successes in the War on Terrorism, we remain deeply concerned about transnational terror organizations including Al

Qaida and Jemaah Islamiyah, and by more localized groups like the Abu Sayyaf Group in the southern Philippines. We also sense increasing synergy between transnational threats like terrorism, illicit drugs, trafficking in humans, piracy, and especially the proliferation of Weapons of Mass Destruction. We have a number of creative initiatives ongoing to address these transnational concerns.

It is against this backdrop of security challenges and opportunities that we reach my final primary concern - transformation. Responding to the new threat context, recent strategic guidance directs the global transformation effort. Our initiatives at Pacific Command reflect that guidance and support the global effort, starting with updated plans and extending to resulting improvements in command and control, immediately available capabilities, and force posture. We are coordinating with our friends and allies in the region to effect enduring improvements while strengthening our ability to respond to emerging threats.

Our relationships in the region, including five treaty allies and numerous friendships, are as strong as ever. I am gratified to report nations within our region are making smart and generous contributions to regional and global security, including support of Operation ENDURING FREEDOM and IRAQI FREEDOM. Since 9/11, the region has demonstrated a heightened awareness of our interdependent vulnerabilities and the resulting necessity of cooperation for security. This mutually supportive environment facilitates both our forward presence in theater and the security programs necessary to promote a peaceful, stable, and prosperous Asia-Pacific region.

This security context is reflected in our five top priorities at U.S. Pacific Command (USPACOM). The following update on our defense posture is organized within those five priorities.

SUSTAINING AND SUPPORTING THE WAR ON TERRORISM (WOT)

Sustaining and supporting the war on terrorism is our highest priority at USPACOM. In addition to addressing terror threats in the Pacific Area of Responsibility (AOR), we are also a primary force provider to Operations ENDURING FREEDOM and IRAQI FREEDOM.

Nations of the region continue excellent cooperation against terror threats. Singapore, Malaysia, Thailand, Indonesia and the Philippines have detained and arrested over 200 members of the Jemaah Islamiyah (JI) terror group. Thailand has both publicly articulated its terrorism concerns and taken aggressive steps to eliminate them. And despite significant domestic complications, Indonesia, too, has been particularly effective in the arrest and prosecution of 34 JI members who committed the October 2002 bombing in Bali, 27 of whom have now been sentenced for their crimes.

But regional and local terrorist groups with ties to the al-Qaida network continue to pose dangerous threats to U.S. and our friends, especially in Southeast Asia. Southeast Asia is a crucial front in the War on Terror. The destabilization of the governments of this region - moderate, secular, legitimately elected, with large Muslim populations - would sentence the region to decades of danger and chaos.

The Jemaah Islamiyah, or "JI" - an al-Qaida network affiliate - directly targets the region for instability, through terrorism, supporting its ultimate goal of a pan-Islamic state in Southeast Asia. The JI followed up its October 2002 bombing in Bali with a deadly attack on the JW Marriott hotel in the heart of the Indonesian capital just last August.

Several of the JI's key leaders are now in custody, including spiritual leader Abu Bakar Bashir and interim leader Abu Rusdan, who was recently convicted for his role in the Bali bombing. Most notable was the

2003 capture by Thai officials of terrorist Hambali, the JI's operational head and direct link to Al Qaida.

But the JI is resilient and pervasive. Other key leaders remain at large, and new terrorist generations are being trained. And we are learning more about the degree of JI involvement in terrorist operations in southern Thailand and the southern Philippines.

The Philippines is a strong partner both globally and regionally in the War on Terrorism. President Gloria Macapagal-Arroyo recently identified the JI as her government's top terrorism priority.

Of course the Philippines is coping with other terror threats as well, including the New People's Army and the Abu Sayyaf Group (ASG). Primarily a hostage-for-ransom enterprise, the ASG was responsible for the death of a U.S. Special Operations soldier in 2002, conducted several bombings in 2003, and most recently claimed responsibility for the bombing of an interisland ferry in late February. The Philippine Armed Forces (AFP) have improved their effectiveness against the ASG, highlighted by December's arrest of terrorist Galib Andang, aka "Commander Robot", on Jolo Island.

We are concerned about Jemaah Islamiyah influence in the activities of some of these indigenous terror groups, including sponsorship of bombings in Davao City last spring that left 38 people dead. We continue Operation ENDURING FREEDOM - Philippines to provide training, advice, and assistance to the AFP to improve their capability and capacity to deal with terror threats.

Philosophically, our approach to the terror threat has both near-term and long-term components. In the near term, we have to stop immediate threats against our citizens, our friends, property, and vital

infrastructure - in short, we have to stop the violence. So this near-term effort includes defeating actual attacks, disrupting the enemy's plans, and proactive defensive measures. Clearly, we don't see military action as the sole or even primary instrument of national power in this fight - intelligence sharing and law enforcement lead much of this effort.

These near-term efforts are an essential but incomplete solution, because the war on terrorism, like the fight against other transnational threats, cannot be won by attrition alone. Terrorists can multiply faster than they can be captured or killed.

So our long-term effort is focused on strengthening the region's democratic institutions that provide security at the economic, social, and physical (i.e., education, law enforcement, basic services) levels. Many of our efforts, including the Theater Security Cooperation Program (discussed below) directly support this long-term goal. We believe we'll reach a tipping point in the War on Terrorism when sound governance prevails, and citizens value their institutions more than they fear the terrorists.

Meanwhile, near term efforts include both proactive defenses and direct efforts to go on the offensive, if necessary, to capture or kill terrorists in the Pacific theater.

Homeland Defense And Civil Support. The USPACOM Homeland Defense AOR includes the State of Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau, referred to as Compact States; and the following possessions: Wake Island, Midway Islands, Johnston Island, Baker Island, Howland Island, Palmyra Atoll, Kingman Reef, and associated territorial waters. We are leveraging our Theater Security Cooperation Program to build support and capabilities

throughout the USPACOM AOR to support overarching HLD efforts. We are coordinating with U.S. Northern Command (USNORTHCOM) to ensure the same seamless strategy for defense in depth of the U.S. mainland.

Our Strategic Concept Plan for HLD is in the final stages of coordination, but many aspects of the plan are already operational. All USPACOM service components contribute to the mission. Programs such as the Joint Rear Area Coordinators, Critical Infrastructure Protection, Homeland Air Security, Consequence Management for Chemical, Biological, Radiological, Nuclear, and High-yield explosives (CBRNE), and Domestic Support Operations are just a few of the activities coordinated under the HLD Plan. We appreciate your continued support to ensure we have the resources necessary to continue these essential missions.

USPACOM's Biological Warfare Countermeasures Initiative (BWCI) was established last year, leading DoD efforts to incorporate BW mitigating measures into deliberate plans, coalition needs, and domestic interagency efforts. We are partnered with the Defense Threat Reduction Agency and Department of Homeland Security in this initiative.

Civil Support (CS) is another key part of the overall Homeland Security effort. CS operations enhance our existing Domestic Support Operations to civil authorities. We have well-established relationships and mutual cooperation plans with these authorities and provide support as directed by the Secretary of Defense. Our HLD plan addresses the full spectrum of CS responses from terrorist acts to natural disasters like recent typhoons in Guam. I support a standardized security clearance system that facilitates the immediate sharing of appropriate time-sensitive intelligence with local law enforcement and civil authorities.

Joint Rear Area Coordinators (JRACs) in Guam, Hawaii, Japan, and Korea (and Joint Task Force - Alaska) provide the command and control

construct to synchronize our DoD anti-terrorism/force protection (AT/FP) efforts for military installations and property with federal, state, and local agencies and with host nations in the cases of Japan and Korea. Once again, we are coordinating our efforts and procedures with USNORTHCOM.

USPACOM has an aggressive vulnerability assessment program for our DoD bases, ports, airfields, and training areas throughout the AOR. We use assessment teams from the Defense Threat Reduction Agency (DTRA), the services, and our components to ensure our facilities have updated assessments and proactive AT/FP plans. We also work closely with the State Department to ensure host-nation support is adequate to help protect our deployed forces using the latest AT/FP procedures.

Theater and country specific Force Protection Conditions (FPCONs) are continually reviewed and updated as necessary. Random Antiterrorism Measures are employed to complicate terrorist planning. PACOM also employs a travel restriction program, providing a tool to declare entire countries or portions thereof "off-limits" to DoD members as necessary. In addition, Force Protection plans are required for all travel in our AOR, from major unit deployments to individuals on leave. The resource commitment for increased FPCONs, however, presents a formidable challenge, both in terms of manpower and essential technologies. Your continued support to PACOM's Force Protection objectives is necessary to sustain the progress we are making in this area.

Our **Critical Infrastructure Protection (CIP) Program** assesses infrastructure upon which PACOM depends for missions ranging from offensive combat operations to Homeland Defense. This broad-based program includes personnel, health operations, financial services, logistics, transportation, space, defense information, C3, intelligence, and public works sectors. We recently published the first CIP Appendix to one of our

primary theater Operational Plans and fielded a CIP database that identifies relationships between mission-critical supporting assets, associated vulnerabilities and protection requirements. Another building block is the development of our Theater Infrastructure Assurance Plan, which describes how we fundamentally conduct CIP throughout the AOR. Additionally, our bilateral CIP activities with friends and allies in the region have laid the groundwork to protect infrastructure outside the U.S. upon which we depend to fulfill our regional security obligations.

The **Combating Terrorism Readiness Initiatives Fund (CbT RIF)** provides commanders additional resources to defend against emergent terrorist threats. PACOM has received \$9 Million in CbT RIF funds in FY04 and hopes to receive additional funds after completion of the second round of CbT RIF. The first submission of FY04 CbT RIF included 58 new and 20 revalidated projects from FY03 totaling \$26 million. Our FY04 requests include a barrier wall for the Asia Pacific Center for Security Studies, hydraulic gates for the PACOM headquarters, a Mobile Observation Post for Yokota airbase, and closed circuit TV and intrusion detection systems in Japan, Korea, and Camp Pendleton. Thank you for supporting this fund.

Coordination with law enforcement. We have established a model for theater counter-intelligence (CI) operations by fusing DoD, law enforcement, and other government agency information, and incorporating allied contributions. DoD intelligence analysts embedded in the FBI's Joint Terrorism Task Force (JTTF) - Hawaii markedly enhance our ability to identify threats and gain insights into terrorist organization planning and operations. JTTF members participate in USPACOM planning for counter-terrorist operations in the region while simultaneously supporting HLD efforts. The Patriot Act, which facilitates such interagency coordination, has enhanced our ability to share information on terrorist threats.

Our Joint Interagency Coordination Group for Counter-Terrorism (JIACG-CT) is the PACOM staff entity responsible for coordinating DoD and other government agency CT activities within the USPACOM AOR. Last year, the JIACG combined intelligence, operations, and training goals with interagency representation to produce our first theater CT Campaign Plan. This plan, aligned with Department of State goals embedded in embassy Mission Performance Plans, focuses on both near-term and long-term WOT efforts. These efforts include CT resource creation, terrorist identification and destruction, and the long-term effort to strengthen democratic institutions of governance. As the lead staff element in USPACOM's fight against transnational threats, the mission of JIACG-CT is being broadened to include coordination of our counter-drug and counter-proliferation efforts.

The Joint Interagency Task Force - West (JIATF-W) has long been USPACOM's premier operational counter-drug entity. Formerly based in California, JIATF-W is relocating to Hawaii to better confront the narcotic threat in the western Pacific. Its experience, assets, and interagency relationships will also be relevant against related transnational threats like narco-terrorism, piracy, human trafficking, and especially weapons proliferation. JIATF-W's interagency approach facilitates contributions of law enforcement, host nations and special operations forces.

Regional Maritime Security Initiative (RMSI). The ungoverned littoral regions of Southeast Asia are fertile ground for exploitation by transnational threats like proliferation, terrorism, trafficking in humans or drugs, and piracy. The President's Proliferation Security Initiative (PSI) and State Department's Malacca Strait Initiative are designed to improve international cooperation against these threats.

RMSI is USPACOM's effort to operationalize these initiatives.

Fundamentally, we need to gain an awareness of the maritime domain to match the picture we have of our international airspace. Working first with other navies of the region, our approach is to assess and then provide detailed plans to build and synchronize interagency and international capacity to fight threats that use the maritime space to facilitate their illicit activity. And of course there are other government agencies that play a key role here, too. We have found this concept well received by our friends and allies in the region.

This is a large undertaking that requires us to harness available and emerging technologies to develop that maritime situational awareness. It also requires responsive decision making architectures and the right kinds of immediately available, expeditionary forces to take action when the decision has been made to do so.

Our long-term effort in the War on Terrorism focuses on strengthening democratic institutions to enhance governance and address the underlying problems that give rise to terrorist movements in the first place. This element includes civil-military education programs and especially our Theater Security Cooperation Program.

Regional Defense Counter-Terrorism Fellowship (RDCTF) funds are a valuable tool in our efforts to combat terrorism in the Pacific. Through this flexible and responsive program, we've trained over 130 students from seven partner nations (Bangladesh, Indonesia, Malaysia, Nepal, Philippines, Sri Lanka, and Thailand) and are building a community of counter-terrorism experts and practitioners who share a common perspective on the proper response to terror threats.

International Military Education And Training (IMET) exposes future leaders to U.S. values, including commitment to the rule of law, the role

of a professional military in a democratic society, and overall military professionalism. Grant funding has removed financial barriers to U.S. military education and training for friends and allies located in regions subject to untoward influences, and has contributed to the readiness of troops providing post-hostility engineering and peacekeeping support in Afghanistan and Iraq. Combined with training offered through the Foreign Military Sales process, IMET promotes U.S. military education and training as the recognized standard worldwide. Consequently, demand has surpassed supply as it relates to school capacity. Innovation has addressed this issue in the near-term but real capacity increases are necessary to build upon our success. I appreciate your support of this valuable program.

Our Theater Security Cooperation Program (TSCP) is the vehicle through which we extend U.S. influence, develop access, and promote competence among potential coalition partners. These activities directly support the War on Terror and enhance readiness for contingency actions against emerging threats. We also coordinate the TSCP with the country teams in our embassies to ensure our efforts complement their Mission Performance Plans. TSC activities clearly help strengthen institutions of governance, directly contributing to our long-term counter-terrorism effort.

IMPROVING READINESS AND JOINT WARFIGHTING CAPABILITY OF PACIFIC
COMMAND FORCES

Improving the readiness and joint warfighting capability of USPACOM forces is critical to assuring our friends and allies, dissuading military competition, deterring threats against U.S. interests, and defeating an adversary if deterrence fails. This priority includes providing the spare parts, operating dollars, and training needed to maintain ready forces. It also means innovating, transforming, and improving those capabilities and technologies needed to keep our forces ready for a wide range of alternative futures.

Past investments in readiness paid off in 2003. Approximately 51,000 PACOM active duty personnel have or are scheduled to deploy in support of operations in Afghanistan and Iraq. Pacific Fleet units deploying to OEF and OIF last year included the USS ABRAHAM LINCOLN, CARL VINSON, CONSTELLATION, NIMITZ, and KITTY HAWK Carrier Strike Groups; independently deploying submarines; maritime patrol aircraft; Naval Mobile Construction and Explosive Ordnance Disposal Units, and a significant portion of our reserve force including Harbor Defense, Coastal Warfare, Mobile Inshore Undersea Warfare, and Inshore Boat Units. The TARAWA and ESSEX Amphibious Ready Groups deployed with the 15th and 31st Marine Expeditionary Units embarked. The seven-ship Amphibious Task Force West, built around amphibious assault ships BOXER and BONHOMME RICHARD deployed with the First Marine Division, and the year closed out with the initial deployment of Expeditionary Strike Group ONE with flagship USS PELELIU and the 13th Marine Expeditionary Unit (Special Operations Capable) embarked.

About 2,000 Pacific Air Forces (PACAF) personnel already have deployed to Southwest Asia supporting Aerospace Expeditionary Forces for OEF and OIF. Our Army Forces in the Pacific - active, reserve and guard -

are also making important contributions in the USCENTCOM AOR. An airborne task force from Alaska and an aviation maintenance unit from the Hawaii Army National Guard have been in Afghanistan for the past six months.

More USARPAC contributions are in progress. The 25th Infantry Division (25th ID) Headquarters and one Brigade Combat Team (BCT) are deploying to Afghanistan now, and another 25th ID BCT is currently serving in Northern Iraq. CH-47 aircraft of the Hawaii Army National Guard and the 411th Engineer Battalion (U.S. Army Reserve) are also en route Iraq. The 1st Brigade of the 25th ID at Fort Lewis, Washington, now a Stryker Brigade Combat Team, will deploy to Iraq later this year, replacing the 3d Brigade of the 2d Infantry Division, also stationed at Fort Lewis. At the peak, approximately 16,500 USARPAC forces will be assigned to CENTCOM.

In light of our impressive combat performance in Southwest Asia, it would be easy to conclude that our current programs are more than adequate to meet every conceivable threat. But even as we incorporate the lessons learned from those conflicts, and with great appreciation for the exceptional quality of our people and equipment, we also recognize that many of USPACOM's most demanding current and future warfighting challenges were simply not stressed in Southwest Asia. These missions include missile defense, undersea warfare, and air superiority.

Missile Defense. Cruise- and ballistic missile threats are rapidly increasing in the USPACOM AOR. Our ability to defend against them is fundamental to homeland defense, regional peace and stability, and to successful execution of our contingency plans. We need an integrated, tiered missile defense system.

Our Forward Deployed Naval Forces, Command and Control elements, and interceptor assets will be ready to support Missile Defense Initial Defensive Operations on or before 1 October. We still need to increase the

numbers of PATRIOT GEM and PAC-3 missiles ashore and develop a sea-based terminal missile defense capability. Sea-based systems reduce our overall footprint ashore while providing flexible, more secure options. I applaud your efforts to date supporting development and fielding of our missile defense systems.

Undersea Superiority. USPACOM faces the greatest undersea warfare challenge in the world. 250 submarines call the Pacific home - but only 30 percent of these submarines belong to allied nations. A robust and integrated Anti-Submarine Warfare (ASW) architecture, more capable force structure and a committed investment in future technologies are essential to counter the growing submarine threat.

Submarines remain the premier ASW asset. Our new VIRGINIA class boats will meet our ASW needs well into the future, particularly in the challenging littoral environment. Congressional efforts last year also provided funding to refuel two additional 688 Class submarines. To ensure sufficient submarines are available to counter future threats and defeat anti-access strategies, we must seriously consider funding the remaining refuelings of 688 Class submarines and sustain an adequate VIRGINIA class submarine build rate.

Maritime Patrol Aircraft provide quick responding long range ASW and high demand ISR capabilities. The P-3 Maritime Patrol Aircraft sustainment program and follow on Multi-Mission Aircraft are critical to respond to emergent submarine threats. I also strongly support the acquisition of Automatic Periscope Detection technology for both surface ships and Maritime Patrol Aircraft employed in littoral regions.

Air Superiority. The F/A-22 Raptor will deliver quantum air power improvements with great relevance in the Pacific theater. Combining stealth, high speed, and precision weaponry, Raptor will buy back

battlespace and increase warfighting options for the joint force commander. We need your support to fund and field this aircraft.

INTELLIGENCE, SURVEILLANCE, RECONNAISSANCE (ISR)

Signals Intelligence (SIGINT). The WOT and traditional military threats demand ever-increasing agility and innovation in intelligence. SIGINT remains critical to our requirements for timely threat information. Access to signals is challenging and requires a concentrated effort to expand collections capacity and increase technical capabilities to ensure we can adapt to changes in adversary Command and Control (C2) systems and processes.

The National Security Agency (NSA) and Service SIGINT capabilities are crucial to our counter-terrorism efforts. The ability to integrate both National and Tactical SIGINT is key to daily operations and the execution of deliberate and contingency plans. However, rapid advances in telecommunications technologies, and their use by our adversaries, are outpacing intelligence-gathering capabilities.

I strongly support the NSA's transformation efforts to meet the challenges of the digital technology revolution. They must have the resources necessary to remain technically strong and provide capabilities to meet our requirements. NSA's capabilities against modernized militaries and transnational entities such as terrorists and weapon proliferators remain key to PACOM objectives.

Regarding tactical systems, I continue to advocate the accelerated development and fielding of joint, interoperable, modular, rapidly reconfigurable land, sea, and air SIGINT platforms. These improvements should be integrated into collaborative intelligence processing systems to make the best use of the increased data gathered.

Without concurrent improvements in NSA's capabilities and in Service tactical cryptologic systems, it will be increasingly difficult to predict, find and target the most serious threats to U.S. national security interests.

Human Intelligence (HUMINT). Improving our HUMINT collection capability against key PACOM challenges, especially as it relates to hard and deeply buried C2, WMD facilities, proliferation, and terrorist activities is critical. Sustained resources for both CIA and DOD (Defense HUMINT Services) will yield the progress we need. Our military commanders must have insight into the plans and intentions of our potential adversaries - something that HUMINT is uniquely capable of providing.

Cryptologic Linguists. To be successful in counterterrorism we require linguists with a high degree of proficiency in many different languages and dialects. The minimum requirement is for 3/3 language capability; many targets require 4/4 (native) speakers. Maintaining a permanent cadre of cryptologic linguists with that degree of proficiency across a wide range of low-density languages and dialects is prohibitively expensive. So in addition to expanding training and recruiting initiatives, we must ensure the Defense Manpower Data Center's Automated Language Finder database tracks those personnel who are native speakers or who have acquired the requisite skills, and that the Defense Language Institute can test for those language skills.

Imagery Intelligence (IMINT). The requirement for electro-optical, radar and infrared imagery remains crucial. IMINT converted into geospatial data and integrated with other source material is critical to the commanders in the field and provides much-needed context to decision makers.

Unmanned Aerial Vehicles (UAV). The broad expanse of the USPACOM AOR and lack of access into denied areas make surveillance a significant challenge. We need a dynamic mix of national and airborne assets capable of maintaining access for IMINT and SIGINT coverage over target areas for extended periods. Persistent ISR assets greatly enhance our ability to perform counter-proliferation and counter-narcotics missions, combat piracy, and combat terrorism. Scientific and technical advancements like multispectral imaging aboard high altitude, high endurance assets such as the U-2 and Global Hawk UAV are ideally suited to support our requirements. Early fielding of Global Hawk in the USPACOM AOR is essential.

Tactical level systems like the Predator UAV are also of great value in this theater. However, limited airframes, sensors, and dissemination systems prevent us from taking full advantage of these capabilities. This complementary arrangement of persistent surveillance using both theater and national systems is critical to ensuring sufficient warning and situational awareness.

Tasking, Planning, Exploitation & Dissemination (TPED). PACOM requires a complete, joint TPED architecture to support future plans and contingencies. This architecture must accept inputs from a multitude of ISR assets and share this data freely among service Deployable Common Ground System (DCGS) nodes as well as intelligence users worldwide. Effective TPED of geospatial intelligence is crucial to providing the Combatant Commander, operational, and tactical forces with an incontrovertible view of the battlespace. Limited resources, coupled with great distances make interoperability among service DCGS nodes a critical element to accomplishing TPED and ISR missions within the theater.

COMMAND, CONTROL, COMPUTER, COMMUNICATION (C4) IMPROVEMENTS

C4 Modernization. We have made significant improvements in bandwidth availability through leases with commercial providers. We are on track with Satellite Communications Programs to replace failing satellites. Defense Information Systems Agency (DISA) assures bandwidth will be available whenever and wherever needed, at least to an installation's "front door."

But we cannot deliver sufficient bandwidth from the front door of the installation to the warrior. The dated wires, cables, and switches installed on our bases have insufficient capacity to support applications and services that are based on the steady improvements in telecommunications technology. There is also a digital gap between strategic and tactical environments. Most tactical users rely on Radio Frequency (RF) links, but RF links can only deliver a fraction of same bandwidth available from landlines. As we greatly expand landline capacity through the Global Information Grid-Bandwidth Expansion, we must tailor applications for the bandwidth capacity that tactical users have available to perform their missions.

Joint Information Capabilities Enhancement Environment (JICEE). True transformation involves changing the way we implement information systems from industrial-age, single-purpose systems, to information-age methods, wherein we define the framework of the entire information infrastructure then align programs-of-record to capability-areas within the framework.

To move this transformation along, we need to develop a Joint Information Capabilities Enhancement Environment (JICEE). This requires decomposition of existing programs, reassembling associated systems into a common networked environment. We've defined a framework, and with the support of the Command Information Superiority Architecture (CISA) program,

have partnered with U.S. Joint Forces Command (USJFCOM) to develop and test a model to capture existing programs and costs to illustrate their contribution to end-to-end capability for gap and duplication analysis. We intend to use JICEE to define the objective information and knowledge services network with the roadmap that shows how to integrate, interface, leverage and decompose when necessary, projects, initiatives and programs-of-record to get there.

Combined Enterprise Regional Information Exchange System. (CENTRIXS) is the effort to establish permanent, classified coalition networks between U.S. and coalition partners. Today, CENTRIXS networks support maritime forces and shore planning staffs for escort and maritime interdiction missions for Operations ENDURING FREEDOM and IRAQI FREEDOM. The communities of interest for CENTRIXS now include Australia, Canada, United Kingdom, United States, Japan, Thailand, the Republic of Korea, Singapore, and New Zealand. CENTRIXS provides e-mail, web access, chat and common operational picture capabilities with our coalition partners. With CENTRIXS we've made significant strides working with our allies to support the War on Terrorism and have planned extensive expansion of these networks for the near future. USPACOM is working in concert with other Regional Combatant Commanders, USJFCOM, and the CENTRIXS Program Management Office toward a common network architecture that continues to support global joint operations.

Agile Coalition Environment (ACE). Our ability to connect networks to, and share information with, our allies and security cooperation partners is a major challenge. The Agile Coalition Environment (ACE) effort is developing crypto devices agile enough to create virtual private networks (VPNs) to support bilateral and tailored multi-lateral relationships without having to build or lock-down unique networks for each community-of-interest security enclave. ACE enables CENTRIXS to converge

from a set of independent networks to a single network that supports multiple security enclaves on an on-demand basis.

Computer Network Defense (CND) is a major part of our comprehensive Information Assurance strategy. Our adversaries are constantly developing new ways to use computer vulnerabilities to deny access to or exploit our information resources. We need constant training on the latest tools, techniques, and vulnerabilities to sustain a highly trained team of CND professionals. This team maintains a strong relationship with the Joint Task Force for Computer Network Operations, the DISA Pacific Computer Emergency Response Team (CERT) and the DoD CERT to stay abreast on the latest information assurance advisories to maintain the tightest perimeter security possible.

Deployable Joint Command and Control (DJC2) is critical to the success of future joint task force operations across the operational spectrum from Non-Combatant Evacuation (NEO) to high intensity warfare. This communications-enabling package has significant potential to strengthen command and control for the JTF by providing a rapid deployment capability, standardized C2 processes across the components, and standardized C4 systems from the strategic to operational levels. I am concerned, however, that DJC2 lacks organic mobility and the ability to interface anticipated C4 systems with our coalition partners. Both USJFCOM and OSD are working to resolve these issues, but these capabilities may require additional resources to ensure they are delivered on schedule in March 2005.

EXERCISES. Exercise events provide essential opportunities to hone a spectrum of security skills in multilateral settings, and are a key component of both our Joint Training Plan and Theater Security Cooperation plan.

Exercises such as Cooperative COPE THUNDER provide an opportunity for engagement in the Pacific Alaska Range Complex (PARC), a facility more than five times the size of the RED FLAG range in Nevada. This year's COPE THUNDER participants included: Australia, Bangladesh, Canada, Germany, India, Japan, Malaysia, Mongolia, the Philippines, Singapore, Sri Lanka, and the United Kingdom.

Our BALIKATAN series in the Philippines is a critical element of our continuing effort to build an enduring CT capacity and capability in the Armed Forces of the Philippines. It also provides excellent training opportunities for U.S. forces, and does so in a manner that both exercises contingency access and relieves training pressures due to encroachment elsewhere in theater.

Our premier multilateral exercise in the Pacific is COBRA GOLD, an annual event hosted by Thailand. This exercise is specifically designed to promote capabilities and cooperation to deal with foreign consequence management, humanitarian assistance, peacekeeping/enforcement operations, non-combatant evacuation operations, and transnational threats like terrorism and illicit narcotics.

Our Advanced Concept Technology Demonstration (ACTD) Program allows us to influence and leverage our nation's investment in science and technology, expediting advanced technologies to our warfighters.

Today USPACOM is sponsoring 18 ACTD projects - more than any other regional combatant command. We have distributed the workload across the whole theater - almost all service component and Sub-Unified Commanders and most of my Staff Directors have responsibility for at least one ACTD. A number of our ACTDs have accelerated state-of-the-art technologies into Operations ENDURING FREEDOM and IRAQI FREEDOM. For example, the Thermobaric Weapon ACTD accelerated its tunnel-penetrating-munition

development for combat use in Afghanistan. The Language and Speech Exploitation Resources (LASER) ACTD currently provides language translation support for intelligence collection and ongoing operations in both Afghanistan and Iraq. And the Joint Explosive Ordnance Disposal ACTD has provided networked reachback support for hundreds of explosive ordnance events in Iraq and Afghanistan. In all, eight PACOM ACTD projects are directly contributing to the War on Terrorism.

We have been awarded three new ACTD Projects starting in FY04. These include the Theater Effects Based Operations (TEBO) ACTD, which is a partnership with USFK and USJFCOM and has direct application in the work of our Standing Joint Force Headquarters.

TRAINING FACILITIES AND RANGES

Transformation of the Pacific Alaska Range Complex (PARC) into a 21st Century Joint Training Complex and Joint National Training Capability venue is important. Integrating virtual capabilities with existing training ranges is the next step in providing our warfighters the optimum combat training environment.

USPACOM forces are performing an increasing number of missions ranging from major combat in Operation IRAQI FREEDOM to humanitarian assistance. Mission success requires realistic training - something inert ordnance cannot completely provide. The first exposure to live fire faced by our forces must not come in a hostile combat environment, but rather in a controlled but authentic training environment where they can learn from their experiences and condition themselves to face the "real thing." We are integrating virtual training technologies with live facilities and exercises to maximize training value within existing physical restrictions.

However, we are increasingly limited in our ability to conduct this training, because of restrictions on space, hours, ordnance, and radio frequencies. Pacific Air Forces (PACAF) and U.S. Army Alaska (USARAK) work closely with state and federal agencies to minimize range encroachment and to mitigate the environmental impacts associated with the Pacific Alaska Range Complex (PARC). Our primary live-fire range in the western Pacific, Farallon de Medinilla (FDM) is heavily used now only because we received legislative relief associated with the Migratory Bird Treaty Act.

Training at Makua Range on Oahu is limited in the number and type of training cycles we can conduct, so more of our annual small unit training is achieved via deployment to the Pohakuloa range which also supports battalion level and higher combined arms live-fire exercises on the Island of Hawaii. We have also established a Joint Training Requirements Group to ensure effective use of available training areas in support of all service components and allies training in Hawaii and the Pacific AOR. This initiative will be fully integrated with the Joint National Training Capability through our new Pacific Warfighting Center. Finally, we are leveraging our Theater Security Cooperation Program to supplement our training locations as encroachment continues to restrict our training opportunities.

Many military facilities are also becoming foci for biodiversity, with development and expansion encroaching on our facilities. Where once our bases and training areas were remote sites, urban expansion now surrounds them, forcing some species, including some endangered species, into relatively safer environments of military facilities.

We are very good stewards of the environment. We have set aside space for protected species, altered or deferred some units' training to

avoid interference in nesting areas, and developed specific programs to increase the populations of protected or endangered species.

For the most part, the military's answer to encroachment challenges has been to work around the immediate problems while attempting to minimize the impact on the quality and quantity of training. For example, environmental concerns now impose noise restrictions that force important low altitude maneuvers to use unrealistically high altitudes and limit the use of ranges. Maneuver space is reduced, training lanes become narrow, and our individual maneuvers become too predictable or repetitive. The central question is how all these important interests can be advanced in a balanced and cooperative way.

As part of our efforts to seek this balance, we sought and received narrowly focused clarifications to the Marine Mammal Protection Act (MMPA) and the Endangered Species Act that provide us the needed flexibility to train our forces for combat while continuing our commitment to environmental stewardship through necessary protection of marine mammals and endangered species.

You also clarified the Endangered Species Act by specifying that Integrated Natural Resource Management Plans (INRMPs) be used in lieu of designating critical habitat. DoD is already obligated under the Sikes Act to develop INRMPs for lands under military control. INRMPs are prepared in cooperation with the Fish and Wildlife Service and state agencies, which recommend ways for DoD to better provide for species conservation and recovery. While we understand there are attempts to roll back these new provisions, it is critical that we be given an opportunity to implement them on our military ranges and operating areas. We will use the increased flexibility to ensure that we have access to ranges and operating areas

vital to training our forces for future conflicts. We appreciate your efforts to help us maintain our readiness while protecting the environment.

LOGISTICS AND MOBILITY

We continue to improve our ability to adapt plans and rapidly flow forces and equipment. At the same time, we must efficiently sustain these forces as they move forward. Working in partnership with U.S. Transportation Command (USTRANSCOM), we have made steady progress identifying and prioritizing existing strategic air and sealift infrastructure improvement projects to support the WOT, or if required, a major theater war in the Pacific. Our Pacific Command En Route Infrastructure Steering Committee (PERISC) commissioned the study of several strategically located airfields in the theater, gathering appropriate infrastructure data and applying this information to model personnel and cargo throughput capability.

Our current enroute airlift system includes Elmendorf AFB Alaska, Hickam AFB Hawaii, Andersen AFB Guam, and Japan's Iwakuni MCAS, Kadena AB, Misawa AB, and Yokota AB. The PERISC has validated and championed over \$100M in fuel hydrant, ramp and runway projects at these locations to support the National Military Strategy and Mobility Requirements Study 2005. We also identified seven projects at Elmendorf AFB, Alaska and Hickam AFB, Hawaii in FY05 to support the assignment of C-17 aircraft at both locations. These and other investments throughout the AOR will ensure we have the required infrastructure readiness.

Theater In-Transit Visibility is required to allow the Joint Force Commander to see force closure for deployments and avoid unnecessary costs and inefficiencies for sustainment and distribution. In the past, in-transit visibility was typically provided to Joint Force Commanders from Ports of Embarkation (POE) to Ports of Debarkation (i.e. the USTRANSCOM air

and sea channels). End-to-end visibility for either deployment or sustainment distribution prior to the POE, or in-theater from the Port of Debarkation to the ultimate destination did not exist.

In October 2003, OSD published the first Department-wide Radio Frequency Identification (RFID) policy. Recently updated in February 2004, this policy mandates the implementation and expansion of Active RFID. The immediate implementation of this policy will provide USPACOM with enablers for both In-Transit Visibility (ITV) and Total Asset Visibility (TAV).

USPACOM's current RFID infrastructure is limited and Army-centric, primarily supporting Army deployments to the Korean theater. To meet OSD's mandate and USPACOM's requirement for Total Asset Visibility, extensive RFID instrumentation must be obtained and installed in PACOM. Instrumentation locations encompass our strategic and multi-nodal ports, including transload locations, and extend to supply activities and originating bases of deploying forces, ultimately including final destinations. To mirror USCENTCOM's current capability for TAV in our theater, every effort should be made to fund and train personnel needed to activate this capability.

Preferred munitions. Emergent requirements in support of Operations ENDURING FREEDOM and IRAQI FREEDOM resulted in reduced availability of preferred munitions and have forced us to rely on older stocks for a period of time. A robust near term inventory of GPS-aided and laser-guided bombs such as the Joint Direct Attack Munition (JDAM), Wind Correct Munitions Dispensers (WCMD) and GBU-10/12 pre-staged ashore, supplemented by more weapons available from afloat or deployable stockpiles would provide PACOM with a more accurate, reliable capability. In the future, we'll also need significant quantities of emerging weaponry, such as Small Diameter Bomb (SDB) and Joint Air to Surface Standoff Munition (JASSM). Positioning

these weapons forward in theater will reduce lift requirements in the early stages of a conflict when those assets are most critical.

C-17 aircraft. PACOM strongly supports U.S. Air Force and USTRANSCOM efforts to procure at least 222 C-17 aircraft as the minimum baseline to ensure responsive global mobility and provide the flexibility and capacity to support DoD warfighting transformation. Our number one strategic lift shortfall is airlift due to retirement of aging C-141 aircraft, poor C-5 reliability. The C-17 is one of only two strategic airlift platforms in the Air Mobility Command inventory capable of providing over- and outsized cargo lift capacity. The only other aircraft is the less reliable C-5. The current Air Force POM funds 180 C-17 aircraft, however, in light of increasing War on Terrorism demands, additional C-17 aircraft should be procured.

USPACOM anticipates basing eight C-17s each at Hickam AFB, Hawaii in December 2005 and Elmendorf AFB, Alaska starting in 2007. Active duty Air Force and Air Reserve Component forces - Hawaii Air National Guard and Alaskan Air Force Reservists - will operate these strategic mobility aircraft. These aircraft will bring vastly increased reliability, versatility and large capacity to and through the Pacific theater.

High Speed Vessels (HSV) provide a flexible alternative for intra-theater movement in USPACOM, including its use to augment airlift. Since October 2001, III Marine Expeditionary Force (III MEF) has been testing a leased HSV with great success and cost savings for exercise deployments and redeployments, as well as operational employment. JOINT VENTURE HSV X1, the Joint Army/Navy HSV that participated in Millennium Challenge 2002 and other exercises, was scheduled to support U.S. Army training in the USPACOM Theater from March to April 2003, but was diverted to support USCENCOM for Operations ENDURING FREEDOM and IRAQI FREEDOM. Without a doubt, HSV

capabilities were critical to the early success of OIF. The speed and range of the HSV-X1 allowed it to rapidly deploy to USCENTCOM. There, it was successfully employed as an afloat staging base for Naval Special Warfare combatant craft operations. In Oct 03, a new HSV-X2 SWIFT, replaced the HSV-X1, and is serving as a Mine Warfare Command and Support ship. In the USPACOM AOR, U.S. Army Pacific (USARPAC) will use HSV-X1 to conduct exercises and training under our Advanced Concept Technology Demonstration (ACTD) program. We fully support continued leasing of tailorable High Speed Vessels as force projection and lift platforms.

Tanker Aircraft. Our National Security Strategy cannot be executed without air-refueling tankers, yet many of ours are nearly 50 years old. The average age of the fleet is 43 years, and the cost of keeping these aging aircraft mission capable is increasingly prohibitive. In the Pacific Command, air-refueling tankers are critical to execution of theater war plans as early deployers in support of the Pacific Tanker Air Bridge. Meanwhile, Operations ENDURING FREEDOM, IRAQI FREEDOM, and NOBLE EAGLE have demonstrated the operational impact air refueling capability has in support of the WOT. The KC-135 aircraft comprises 90% of the tanker fleet, and their usage has increased 45% over employment programmed before 11 Sept 01. The FY02 DoD Appropriation Bill authorized the Air Force to negotiate the lease/purchase of 100 commercial B-767 aircraft for air refueling use - an issue currently under DoD Inspector General investigation. Regardless of the tanker lease resolution, we still need a viable option to replace the aging tanker fleet.

Aircraft Mission Capable Rates. We continue to be concerned about low Pacific Command aircraft Mission Capable rates. Aging aircraft inventory and parts shortages continue to drive reduced Mission Capable rates, reduced fill rates for our "go to war" Readiness Spares Packages, and high cannibalization rates. Although funding for spare parts has

improved over the past several years, shortages still exist. As an example, only 1 of 6 Pacific Air Forces A-10, F-15, and F-16 wings maintained minimum Mission Capable standards during FY 03. The F-15Cs at Kadena Air Base are, on average, 26 years old - 11 years beyond the Air Force's maximum desirable age for fighter aircraft. We must recapitalize our fighter force structure.

IMPROVING QUALITY OF SERVICE FOR OUR MEN AND WOMEN

Improved Quality of Service (QoS) for our men and women is our third priority. Inseparable from combat readiness, it is certainly more than just good Quality of Life. It also means providing the high quality operating facilities, the tools, and the information technology necessary for our personnel to achieve their goals and execute their missions with efficiency and a minimum of frustration. The QoS initiatives included in the FY04 National Defense Authorization Act demonstrate the commitment of military and congressional leadership to meet the needs of our deserving service members and their families.

Quality of Life in PACOM is good and improving. In the near term, we're focused on retention, operating tempo, and housing and school improvements.

Competing for and retaining the best people. We must not take current high retention rates for granted. High operating tempo associated with Operations ENDURING FREEDOM and IRAQI FREEDOM, coupled with a recovering economy, could challenge our ability to retain quality personnel at required levels. A proactive approach featuring competitive compensation and thoughtful force management is required.

On behalf of the men and women of Pacific Command, thank you for your support of recent initiatives including: an average 4 percent pay raise,

increases in allowances for family separation, housing, and cost of living, and pay premiums that recognize special sacrifices like Assignment Incentive Pay in Korea and Hostile Fire/Imminent Danger Pay. Deployed personnel in harm's way will also be more at ease knowing that additional family assistance has been provided in the form of child care, education, and youth services for their loved ones back home. These initiatives will help us recruit and retain our highly skilled troops and their families.

Operating Tempo. Our forces have performed magnificently during Operations ENDURING FREEDOM and IRAQI FREEDOM. In 2003, USPACOM's forward-based forces largely remained in place during these conflicts to help maintain our deterrent posture. Air and naval forces that did participate were quickly returned to their home bases for rest, repair, and readiness for further assignment. As we enter 2004, Marines from the III Marine Expeditionary Force and Soldiers from the 25th Infantry Division are beginning rotations to Afghanistan and Iraq. We will work to mitigate resulting impacts on these troops and their families while compensating with additional forces to maintain our readiness posture forward.

Reserve Mobilization: We continue to rely on our Reserve and Guard members to help us accomplish our missions in the Pacific. These outstanding citizen-service members contribute hard work and unique talents. As a matter of policy, Pacific Command relies heavily on volunteers. Since 9/11, we have mobilized approximately 5,000 service members who have served tours up to 2 years in length.

Today there are about 40 mobilized reservists working at our headquarters and about 1,700 mobilized reservists throughout the USPACOM AOR, serving within the ranks of our service components. All of these members are making important contributions in key roles such as force protection, planning, logistics flow, and myriad other critical areas.

We will continue to promote judicious use of our Reserve forces. We actively support Secretary Rumsfeld's initiatives to relieve the pressure on the Guard and Reserve and to rebalance the force for the future. America can be proud of the way our reserve forces have responded to our nation's needs.

Force Health Protection. We are working with OSD to ensure Smallpox and Anthrax Vaccines are authorized and will be available for those who need it. Last year, the emergence of Severe Acute Respiratory Syndrome (SARS) posed a new global threat. Although we didn't have a single case among our troops, we remain vigilant, and will take steps to limit our forces' exposure whenever possible. Another continuing threat in the Pacific is HIV/AIDS. We've partnered with select countries for HIV/AIDS Prevention Programs in their militaries - a significant step in fostering both healthy peacekeepers and economic stability.

I also want to emphasize the need for integrated and standardized medical information systems across DoD. Unified Commands, among others, are responsible for reporting and tracking disease surveillance and vaccination data. However, no military wide automated systems exist to support these tasks. To this end, I support a USPACOM-led demonstration project to test and evaluate DoD's Theater Medical Information Program, currently under development, to integrate a joint medical information system, both in garrison and deployment.

Military Housing. Quality housing provides peace of mind for our forces and underscores our commitment to Quality of Life. Recent increases in Basic Allowance for Housing support the DoD goal of zero out-of-pocket housing expenses by FY05 for personnel living on the economy.

Meanwhile, our service components remain committed to replace or renovate substandard military family housing, relying on housing

privatization initiatives (such as Public Private Venture and Residential Communities Initiative) and Military Construction. These initiatives are a "win-win" for the community and serve to provide high quality, well-designed military housing developments. Pacific service components and US Forces Korea (USFK) are in the process of adding or replacing over 1,200 family housing units in FY04 alone. Your continued support of military housing privatization initiatives is appreciated. Still, MILCON is required to meet DPG goals, especially overseas. In our FY05 program, we have nearly \$300 million in MILCON family housing projects.

Continued funding is also essential to improve bachelor housing. For FY05, \$291 million is required to keep all components on plan. Navy, Air Force, and Marine components are on track to eliminate open bay and central latrine barracks. Army will meet this goal in Hawaii and South Korea by FY08 and FY09, respectively.

Schools. Competitive schools are a top quality of life concern, especially in Guam and Hawaii. Department of Defense Education Activity (DoDEA) school projects in Guam will provide a new high school (FY05 at \$28 Million) and a new elementary/middle school in the future.

In Hawaii, we are leveraging our Joint Venture Education Forum (JVEF) to improve school quality, strengthen our partnership with the state and its citizens, and increase attractiveness of Hawaii as a duty station. The JVEF is a collaborative effort between the Hawaii Department of Education and Pacific Command to improve education and facilities in the military impacted public schools. Over the past four years, the Forum has focused on repair and maintenance, and on upgrading textbooks and technology. More recently the JVEF has focused on the transition issues of military dependent children by helping schools develop transition assistance programs and offering a military culture course to school staffs.

Subsequent USPACOM school surveys reveal significantly improved perceptions of Hawaii schools by military families.

Transformation. Improved Quality of Service is an intended and essential product of our transformation initiatives. As we posture forces to ensure security in the new threat context, we also seek to place forces such that they can be efficiently employed against unpredictable threats - minimizing optempo while posing a minimal burden on friends and allies in the region. In short, we want to be relevant, welcomed, and immediately employable.

Base facilities and infrastructure. Sustainment, Restoration, and Modernization (SRM) of facilities and infrastructure throughout USPACOM remains an important concern. Current funding levels limit our ability to achieve the 67-year recapitalization rate directed by DoD. We have equally important infrastructure requirements above SRM needs, including environmental requirements and new mission bed-downs for transformational capabilities like C-17 aircraft and Stryker Brigade Combat Teams. We are working to ensure transformation-related changes are integrated into our MILCON plans to prevent wasted expenditures.

Military Construction (MILCON) in Korea. As Commander, U.S. Forces Korea is testifying, our facilities in Korea remain among the worst in USPACOM. MILCON is essential to rectify these shortcomings and to advance our transformation initiatives. We plan on consolidating U.S. Forces in Korea into two hubs of enduring installations - an air-oriented hub focused on Osan Air Base (AB), and a sea-oriented hub in the southeast near Pusan. These consolidations will improve unit readiness, force protection, and quality of life while reducing adverse impact on our host nation. This long term but essential program requires stable MILCON funding.

We appreciate your support for FY04 projects in South Korea to upgrade hardened aircraft shelters and to construct family housing, barracks complexes and dormitories. We also understand your reservations about reprogramming MILCON projects before achieving the precondition of obtaining necessary land on which to construct them. We are working closely with the ROK government to pursue the land purchases necessary to make these projects viable, and we will abide by the provisions of the 2004 Military Construction Appropriations Act regarding their planning and construction.

We request your support for the FY05 MILCON projects submitted by the services for South Korea, including U.S. Air Force family housing and dormitory projects and the sewer system upgrade at Camp Humphreys.

Guam MILCON. Guam's geostrategic importance cannot be overstated. Both Navy and Air Force facilities will continue to figure prominently in Guam's increasing role as a power projection hub. But Guam's environment can be harsh, and major infrastructure improvements are needed to support its further utility. USPACFLT plans to upgrade the KILO Wharf near Orote Point in FY05 (\$13 million) to better support weapons handling, and has further plans to develop the Orote peninsula into a fully capable munitions hub in the out years. Three future projects are also essential to improve wharves at Apra Harbor. In FY05, USPACAF plans to construct a \$20 million war reserve material storage facility at Andersen AFB, and has out year projects to repair the south runway and construct munitions storage igloos.

Joint POW/MIA Accounting Command (JPAC). The JPAC stood up on 1 October 2003, combining assets of Joint Task Force - Full Accounting and Central Identification Lab - Hawaii (CILHI), with a global mission. The command will eventually be housed in a new combined facility at Hickam Air Force Base that will improve efficiency while reducing overall footprint. We are requesting appropriation of funds to begin construction in FY07.

In 2003, joint field activities in Vietnam, Laos, Burma, North Korea, and Cambodia recovered 26 possible human remains believed to be those of unaccounted-for Americans. Meanwhile, the Central Identification Laboratory identified a total of 64 Americans previously unaccounted-for: 37 from the Vietnam War, 5 from the Korean War, and 22 from World War II. We remain fully committed to this mission.

Pacific Warfighting Center. PACOM's exercise simulation and support infrastructure is obsolete. This shortfall significantly reduces the ability to train USPACOM and Joint Task Force commanders in crisis action readiness procedures, limits their ability to rehearse key operational orders, and degrades the ability to improve combined interoperability with friends in the region. The current exercise simulation facility also does not support future technologies or meet force protection requirements. A planned, state-of-the-art operations and simulation center will improve total force readiness by exploiting emerging technologies to create a networked, live, virtual, and constructive training and mission rehearsal environment for joint and combined force commanders and their staffs.

The PWC will be a key node on DoD's global grid of warfighting centers that create the Joint National Training Capability. PWC will be fully integrated with, and extend the capability of, USJFCOM's Joint Training Analysis and Simulation Center and U.S. European Command's Warrior Preparation Center. It will also be home to our most important new joint command and control development - the Standing Joint Force Headquarters, discussed below.

PWC promises to save exercise funds and enhance regional security cooperation using INTERNET-based information exchange opportunities via the Asia-Pacific Area Network (APAN). We estimate a \$30 Million need in FY06 for this facility.

Nimitz-MacArthur Pacific Command Center (NMPCC). The NMPCC is complete and will be dedicated on 14 April. This modern facility and its robust information technology will fundamentally change the way we command and control forces in the Pacific theater. We are working hard on information and knowledge management processes to maximize efficiency while minimizing frustrations. Thank you for making this important headquarters a reality.

REINFORCING THE CONSTANTS IN ASIA-PACIFIC SECURITY

Our long-standing bilateral alliances in the Asia-Pacific region, our friendships both old and new, and the presence of our forward-deployed combat forces continue to be the foundation of the region's peace and stability. Based upon my extensive travels throughout Asia and the Pacific, it is clear that more and more nations appreciate the constructive role forward-based American forces play in regional peace and stability. We are capitalizing on these sentiments to build bilateral relationships while nurturing multinational efforts that support regional security needs.

The USPACOM Theater Security Cooperation Program (TSCP) enhances U.S. influence, expands U.S. operational access to train (and deploy) forward-deployed and forward-based combat forces, and increases competence of our coalition partners. Every TSCP activity is designed to enhance our joint/combined capabilities and communicate assurance to our friends while dissuading or deterring our enemies. Seminars and multilateral exercises continue to be inexpensive but powerful ways to develop the capabilities to work effectively as partners against all manner of transnational threats.

Security Cooperation is an engine of change that, along with our Joint Training and Experimentation plans, solidifies the link between national strategy and focused, enduring regional security.

The dividends of a relevant, adaptive TSCP are clear - our treaty allies and friends have provided incomparable support to OEF, the War on Terrorism, and now OIF as well. And we have new security partners. Mongolia, for example, has made historic contributions in the War on Terrorism and in the reconstruction of Iraq. Many other countries within the Asia-Pacific region also share our security interests, and it is due in part to their efforts to combat terrorism that the analytical depth and breadth of shared actionable intelligence on the terror threat has improved so significantly. Their demonstrations of support are positive signs that meaningful regional cooperation on these threats will continue.

Japan. The U.S.-Japan alliance remains the most important pact in the Pacific and is as strong as it has ever been. Nearly 54,000 U.S. armed forces personnel are stationed in Japan, including units of the 5th Air Force, III Marine Expeditionary Force, and 7th Fleet. Without these forces, it would be very difficult to meet our commitments both to Japan and to the rest of Asia-Pacific region. Last year, Japan contributed about \$4 Billion just to host our forces - the most generous of any U.S. ally.

Since becoming Prime Minister nearly three years ago, Prime Minister Koizumi has stressed the importance of the alliance and has exerted exceptional leadership in support of both regional and global security efforts. Japan acted swiftly and historically after 9/11 to provide airlift services and over 89 million gallons of fuel to coalition ships in the Arabian Sea in support of Operation ENDURING FREEDOM. Last year, the Government of Japan (GOJ) approved an extension to the Basic Plan to continue these valuable contributions to the WOT. Japan's Coast Guard also participated in the first Proliferation Security Initiative exercise last September.

But arguably the most significant symbol of Japan's commitment to regional and global security was its December 2003 decision to contribute up to 1,000 Japan Self-Defense Force personnel for Iraq - a plan they are now implementing. Additionally, they've pledged \$5 Billion in loans and grants for Iraqi reconstruction, second only to the United States. We take every opportunity to express our appreciation to the GOJ for Japan's incredible support.

We continue to strengthen this vibrant alliance through open dialogue and a continuing infusion of creativity. We benefit from robust relationships with the Japan Self Defense Forces, all of which have greatly matured in the last two decades. Although our deepest ties lie with the Maritime and Air Self Defense forces - mainly due to the day-to-day presence of the 7th Fleet and 5th Air Force - we are also looking for ways to increase interactions with the Ground Self Defense Force.

The Defense Policy Review Initiative (DPRI) provides an important forum for deliberating alliance improvements. Working closely with OSD, the State Department, and our country team, we are consulting with the GOJ on ways to improve our command structures, assist the Self Defense Forces in their own transformation efforts, and make modest adjustments to address noise and safety concerns in places like the Kanto plain and Okinawa.

Efforts continue to implement the Special Action Committee Okinawa (SACO) Final Report. While 15 of 27 SACO initiatives have been completed, 12 are still being worked. Two of five noise reduction initiatives and 10 of 11 SACO land release initiatives have yet to be completed. Considerable progress on the 12 outstanding initiatives has been made, and the initiatives are continually being pursued.

The cornerstone of the SACO Final Report is the Futenma Replacement Facility (FRF). GOJ approval of a Basic Plan for the offshore portion of

the FRF highlights the progress made in the SACO process last summer. However, we continue to emphasize to the GOJ that a complete replacement facility as identified in the SACO Final Report - not just the offshore portion - is required before Futenma can be fully returned.

We continue our frank and open dialogue with Japan to nurture this robust alliance. We will also continue to improve U.S.-Japan coordination with other countries in the region to address cooperation on regional security issues.

Republic of Korea (ROK). Our solid partnership with South Korea has contributed to peace and security on the peninsula for 50 years. Today, units of the Eighth U.S. Army and 7th Air Force comprise the majority of our 38,000-troop strength in Korea. We have also witnessed continued growth in the capability and capacity of Republic of Korea forces. They are modern, professional, and growing rapidly in tactical sophistication.

Of course our partnership is focused on the most immediate security threat to the South Korean people - North Korea (DPRK). Although the likelihood of war on the peninsula remains low, the stakes posed by the North Korean conventional threat remain high, and are even higher if North Korea continues its pursuit of nuclear programs. The DPRK maintains more than 70 percent of its forces within 100 kilometers of the Demilitarized Zone (DMZ), and the Kim regime persists in its "military first" policy, keeping its large force fed, equipped, and trained while average citizens face deprivation and starvation.

North Korean missile and missile technology exports pose a grave proliferation concern. Its missile inventory includes over 500 short-range SCUD missiles and medium range NO DONG missiles capable of delivering conventional or chemical payloads well beyond the peninsula. Ongoing research on a multiple-stage variant of the TAEPO DONG missile may provide

North Korea the means to target the continental United States. And its other illicit activities, including probable state-run narcotics and currency counterfeiting enterprises, also pose a broad threat to regional security.

After trilateral talks in April 2002 and two rounds of Six Party Talks to date, it is clear diplomacy must continue to be backed by a strong ROK-US defense partnership to eliminate North Korea's nuclear programs and reduce the North Korean conventional threat.

We recognize the importance of reconciliation efforts to the Korean people and support those efforts by maintaining a position of mutual strength. Nations of the region are aligned on the goal of achieving complete, verifiable and irreversible dismantlement of the North Korean nuclear program.

Meanwhile, the ROK has steadily increased its regional security role. USPACOM is working with the ROK Joint Staff to ensure our regional security cooperation efforts are in consonance with one another and integrated where appropriate. The return of Korean troops from UN peacekeeping duty in Timor-Leste in October 2003 underscored Korea's commitment to regional peace and stability. The ROK continues to support PACOM's Multinational Planning Augmentation Team (MPAT) program. South Korea's growing security role provides regional contributions while meeting its peninsular defense responsibilities.

The ROK continues to support our global security efforts as well. In September 2003, we released the last of four ROK amphibious ships after their 18 months of logistical support and aircraft recovery operations related to Operation ENDURING FREEDOM. In December 2003, the ROK Air Force completed two years of airlift support, having logged almost 3000 flight hours and moving over 300 tons of cargo and passengers throughout the AOR.

The ROK Army has deployed a Construction Engineer unit and medics to Bagram, Afghanistan since February 2003. And by May 2003, over 600 ROK engineers and medical service personnel were working in Iraq along side the U.S. military.

Most significantly, we anticipate the ROK government will dispatch up to three thousand more troops to Iraq later this year, making it the third largest coalition troop contributor to Operation IRAQI FREEDOM. These contributions have been, and will continue to be, important to global security, and we thank the Korean people for their support.

Occasional anti-American sentiment reminds us that South Korea is a vibrant, democratic society, with a profusion of free and diverse voices. Nevertheless, we clearly have reached an important juncture in ROK-U.S. relations. While the majority of South Koreans support the alliance, we know we must strengthen the alliance to meet the challenges of the new international security environment.

ROK Minister of Defense Lee Jun and U.S. Secretary of Defense Donald Rumsfeld established the Future of the ROK-U.S. Alliance Policy Initiative at the 34th Security Consultative Meeting in Washington D.C. on December 5, 2002. Its charter is to develop options and make recommendations to adapt the alliance to reflect the changing regional and global security circumstances. The ultimate objective is to build a balanced and enduring alliance that will be more effective but less intrusive in the lives of the Korean people.

Despite this challenging political environment, Future of the Alliance meetings have produced considerable progress. Most notable are the agreement to relocate U.S. forces from the Seoul metropolitan area, a more regional role for USFK, greater information sharing to coordinate force improvement plans, terms of reference for a command relations study,

and the transfer of appropriate military missions to ROK forces. Final details to relocate U.S. forces from Seoul and consolidate U.S. forces into two hubs south of the Han River remain for ongoing ROK-U.S. discussions.

Australia is a strong ally and special partner in the Pacific. Australia's support for a new joint anti-terrorism center in Indonesia and its Regional Assistance Mission to the Solomon Islands are just two recent examples of Australia's solid leadership throughout Oceania. The Australian people have demonstrated a steadfast commitment to winning the War on Terror, and they continue to make valuable contributions to Operations ENDURING FREEDOM and IRAQI FREEDOM.

Improving the already high level of interoperability between U.S. forces and the Australian Defense Force remains a top priority. A comprehensive two-year study on Strategic and Operational Level Interoperability has just concluded. The implementation of its recommendations will ensure interoperability continues to advance.

Australia has the most robust set of range and training facilities for air, land and sea operations in the Pacific Rim. The facilities range from well-developed, instrumented training ranges to austere sites with little existing infrastructure. We have embarked on a comprehensive plan to study expanded use of these training areas to support the TALISMAN SABER exercise series and other future training initiatives. Future Australia/U.S. combined training events will exercise Combined Task Force-level air, land and sea operations to a level rarely found outside the United States.

Republic of the Philippines (RP). Designated a Major Non-NATO Ally in October 2003, the RP is a strong partner in the War on Terror. Our bilateral relationship promotes mutually beneficial training, Philippine military reform, and increased counter-terrorism capacity and capability.

Despite significant domestic security concerns, the RP generously supported Operation ENDURING FREEDOM with access to facilities and airspace, and recently deployed approximately 100 medical, engineering, and security personnel for Iraqi reconstruction.

Operation ENDURING FREEDOM - Philippines (OEF-P) continues. Last year, we executed a focused Security Assistance plan to support our CT objectives in the Philippines. Five security assistance modules enhanced near-term needs like light infantry training, night vision skills, and intelligence fusion. We also executed the region's most robust Foreign Military Financing (FMF) Maintenance Assistance Plan to improve AFP tactical mobility on both land and sea. In February, a refurbished 180' patrol craft (ex-USS CYCLONE) was provided to the RP under the Excess Defense Articles (EDA) program. This vessel is now the most capable maritime interdiction platform in the Philippine Navy.

The Philippine Armed Forces (AFP) have improved their effectiveness against the Abu Sayyaf Group, highlighted by December's arrest of ASG terrorist Galib Andang, aka "Commander Robot", on Jolo Island. We continue OEF-P to provide training, advice, and assistance to the AFP to improve their capability and capacity to deal with terror threats.

Incremental progress toward our mutual defense goals has prompted a complete review of the pace and direction of the AFP as an institution. The resulting Joint Defense Assessment is both a template for long-term AFP reform and a mechanism by which we are managing near-term CT improvements.

Philippine Defense Reform (PDR) is the engine by which these improvements will proceed. The PDR is a broad-based, multi-year cooperative effort between the Philippine and U.S. governments. PDR recommendations, implemented in a coordinated and deliberate fashion, are designed to address systemic organizational deficiencies, correct root

causes of strategic and operational shortcomings and achieve long term, sustainable institutional improvements in management, leadership and employment of the AFP. While we will assist the Philippines through normal security assistance processes and through routine military-to-military exchanges and exercises, the reforms are principally the responsibility of the Philippine Government. The Philippines' most senior military and civilian leaders are completely supportive of the PDR process. We appreciate your continued support of the Philippines through Security Assistance funding.

Thailand also was granted Major Non-NATO Allied (MNNA) Status in December 2003. Thailand's valuable contributions to regional security stem in large part from the capacity building we have mutually pursued.

Since the Oct '02 Bali bombings in Indonesia, Thailand has been particularly open and cooperative in the War on Terrorism, highlighted by the arrest on Thai soil of Jemaah Islamiyah (JI) leader Hambali and other JI operatives. Thailand currently has about 450 engineers and medical personnel supporting Iraqi reconstruction, completed a significant engineering deployment to Operation ENDURING FREEDOM in Afghanistan, and led military peace observers in Aceh, Indonesia, building on the Thai military's previous sustained peacekeeping effort in East Timor.

Thailand routinely supports our access and training requirements and plays generous host to USPACOM's premier multilateral exercise, COBRA GOLD. COBRA GOLD 2004 will be our 23rd combined/joint bilateral exercise with the Royal Thai Armed Forces. COBRA GOLD is our flagship vehicle for building regional competencies to respond to an expanding range of transnational security situations. By adding this multinational exercise dimension in an environment that trains for peacekeeping in addition to responding to

transnational threats, Thailand assumes an active role in promoting South East Asia security and demonstrates capability as a regional leader.

Singapore is emerging as a regional leader and eager contributor to Asia-Pacific security. Its aggressive approach to important issues ranging from SARS to counter-terrorism to maritime security, coupled with its outspoken support for a strong U.S. presence in Southeast Asia, make this relationship among the most important in the Pacific theater.

Our friendship with Singapore - more than just a friendship - has matured beyond expectations. Soon we will conclude a Strategic Framework Agreement providing structure and organization to our bilateral efforts with sufficient flexibility to continue to mature along with our relationship. Together, we are exploring opportunities for expanded access to Singaporean facilities while increasing information and technology exchange.

Malaysia. Our relations with the Malaysian Armed Forces (MAF) continue to weather periodic hurdles, most often characterized by opposition to U.S. policies in general and military operations in the War on Terrorism in particular. Despite the rhetoric, our military ties are cordial and cooperative, sharing information and best practices in maritime security and counter-terrorism.

Malaysia's influence extends beyond Southeast Asia. It currently holds the chairmanship of the Organization of Islamic Conference and the Non-Aligned Movement. Regionally, Malaysia is an influential leader, focused on the terror threat from Jemaah Islamiyah. The recently inaugurated Regional Counter Terrorism Training Center in Kuala Lumpur and combined Celebes Sea patrols with the Philippine Navy are but two examples of its willingness to contribute to regional security.

India. Our military-to-military program with India leads the larger bilateral relationship and is already providing security benefits in South and Southeast Asia. In the past year, mutual understanding has improved, exercise complexity has increased, and interest in foreign military sales has risen dramatically.

All USPACOM components have conducted a number of successful training events with the Indian military, including the first ever exercise between U.S. front line fighter jets and Su-30K FLANKERS. These events contribute to the combat effectiveness of U.S. forces.

We have developed a long-range plan outlining mutually beneficial activities that build upon this momentum. These programs are designed to increase our proficiency and interoperability with Indian forces while addressing shared interests like maritime security. Our military cooperation directly contributes to the expansion of our strategic partnership with India.

Indonesia is the world's most populous Muslim nation and third largest democracy. Sitting astride vital trade routes and targeted for destabilization by terrorists, Indonesia's success is crucial to peace in the Pacific. Its democratic development requires both effective CT efforts and Tentara Nasional Indonesia (TNI) professional reform.

The government has effectively responded to the bombings in Bali and Jakarta, arresting and convicting many key participants and sharing information with its neighbors. We continue to assess opportunities to increase Indonesia's capacity and cooperation against the Jemaah Islamiyah.

The TNI is the most coherent government institution and will play a central role in shaping the future of the democracy. It is also an organization tainted by past human rights abuses, a lack of accountability, and corruption - conditions that led to restrictions on our military-to-military relationship. Indonesia now acquires non-Western military

hardware and training that is incompatible with our own. These conditions move Indonesia further away from the U.S. sphere of influence.

The TNI appears committed to reform, and there is evidence of positive change in the military. To positively shape that reform, and working with our embassy country team in Jakarta, we have developed a plan of activities that meets all legal constraints. We will leverage E-IMET, Regional Defense Counter-Terrorism Fellowships, and other authorized multilateral venues to expose Indonesian officials, including appropriate TNI officers, to non-lethal U.S. professional military standards.

East Timor is hard at work developing the governing institutions and the political culture for enduring democracy. Though progress is being made, this is a long-term and daunting challenge. The country faces a weak economy, high youth unemployment, and low literacy levels.

Our security goals for Timor-Leste are to support the development of a civil-military defense establishment that is fully subordinate to civilian authority and the rule of law, and to assist in the development of the 1,500-man Falantil-Force Defense Timor-Leste (F-FDTL) as a credible self-defense force. Our program is coordinated with Australia. IMET and FMF programs are being used to fund English language training, and Mobile Training Teams are being planned to provide education and training to support the development of civil/military defense capabilities. We are also conducting small unit exercises that enable USPACOM forces to train with the F-FDTL. This allows our forces to take advantage of the F-FDTL's jungle warfare experience in challenging mountainous terrain.

China. Our modest but constructive military-to-military relationship with China continues. Guided by PL 106-65 (NDAA 2000), it is limited to non-warfighting venues such as high-level exchanges and Humanitarian Assistance/Disaster Relief cooperation.

The last year has featured US warship visits to Zhanjiang and Shanghai. The Chinese reciprocated with a two-ship visit to Guam in October. Late last year, USPACOM also hosted the Nanjing Military Region Commander, LTG Zhu Wenquan, and Defense Minister, General Cao. These exchanges communicate our values and demonstrate the high quality of our people.

Taiwan. Our relationship with Taiwan is guided by the Taiwan Relations Act (TRA) of 1979. Taiwan's ability to defend itself remains the focus of our efforts, given added emphasis by the Chinese military buildup across the Strait. Our relationship supports development of a modern and joint military institution that promotes stability, democracy, and prosperity for Taiwan.

Vietnam. Our military-to-military relationship with Vietnam is progressing on a modest but positive vector. The Vietnamese Defense Minister's historic visit to Washington last year was followed in November by our first port call to Ho Chi Minh City since 1975. These events, combined with my visit to Vietnam in February 2004, represent straightforward but symbolic steps in our relationship.

We share a number of security concerns with Vietnam. Of course, our most robust military-to-military program focuses on POW/MIA recovery. But there may also be room to cooperate in counter-narcotics, counter-terrorism, and peacekeeping. We hope the next year will benefit from Vietnam's new openness to build a relationship that looks to the future while respecting the past.

Asia-Pacific Center For Security Studies (APCSS) continues to bring together current and future military and civilian leaders to discuss non-warfighting security concerns in programs that promote our regional security cooperation objectives. Through its Executive Courses and

Conference program, the APCSS provides Asia-Pacific leaders a premier venue to address security challenges from a multinational perspective. We are careful to include countries like Pakistan and Russia, which though not within USPACOM's AOR, clearly have security stakes in the Pacific. The Center is attracting the right people to reinforce U.S. policy, address relevant regional issues, and assure access to nations in the region. Congressionally appropriated Regional Defense Counterterrorism Fellowship Program funding will be used to develop and conduct a semiannual course designed to facilitate comprehensive regional solutions in the fight against terrorism.

Center of Excellence (COE), a PACOM Direct Reporting Unit established by Congress in 1994, manages capacity building programs in peacekeeping, stability operations, HIV/AIDS mitigation for military forces, and disaster response and consequence management planning. These activities, typically conducted on a multilateral basis with current and potential coalition partners, reinforce relationships and develop confidence across the AOR. They also expand regional capabilities to support multinational coalition and peacekeeping operations around the world.

Through its tailored education programs for U.S. force components, COE improves understanding of and relations with civilians active in complex contingencies, crisis transition and peace support operations. For example, COE supports U.S. Army Pacific's coordination of responses to CBRNE incidents at U.S. installations in Hawaii, Alaska, and across the AOR. I ask for your continued support of this important institution.

Chiefs of Defense Conference (CHOD). One of our premier senior level theater security cooperation activities, USPACOM annually hosts this regional conference that brings together Asia-Pacific Chiefs of Defense (CHOD) (CJCS equivalents) for a series of discussions on regional defense

issues of mutual interest. The October 2003 conference was held in Honolulu, with senior military leaders from twenty-three nations, including our Chairman of the Joint Chiefs of Staff, General Myers, in attendance. The conference theme, "Security Transformation in the Asia-Pacific Region," provided an open forum for candid dialogue among the largest group of CHODs to participate since the conference's inception in 1998. The "Transformation" theme focused on three areas; Emerging Concepts for Maritime Security, Responding to Terrorism and Insurgencies, and Multilateral and Intra-governmental Operations. The CHOD's Conference continues to provide an excellent forum to foster understanding, build confidence, strengthen relationships, and promote stability. Next year, the conference will be co-hosted by the Japan Self Defense Force in Tokyo.

Foreign Military Financing (FMF) provides vital support to developing countries involved in combating terrorism and other transnational threats. Funds provided in the Foreign Operations, Export Financing and Related Appropriations Act, 2003 and the emergency FMF Supplemental directly supported security cooperation priorities throughout the AOR. Foreign Military Financing and Sales contributed directly to the successful prosecution of al-Qaida network-linked terrorists in the Philippines and met basic needs to improve the security environment in several other countries.

USPACOM typically receives approximately 7% of the discretionary FMF funds. Legislative proposals to improve the Security Assistance process and add flexibility in the use of O&M funding have been submitted by my staff for your consideration.

International Military Education and Training (IMET) continues to be an effective, low-cost component of the Security Assistance effort. The program provides U.S. access to and disproportionate influence with foreign

governments. Furthermore, it exposes future leaders to U.S. values and commitment to the rule of law, the role of a professional military in a democratic society and promotes military professionalism. Grant funding has removed financial barriers to U.S. military education and training for friends and allies located in regions subject to untoward influences and contributed to the readiness of troops providing post-hostility engineering and peacekeeping support in Afghanistan and Iraq. Combined with training offered through the Foreign Military Sales process, IMET has supported the promotion of U.S. military education and training as the recognized standard worldwide. Consequently, demand has surpassed supply as it relates to school capacity. Innovation has addressed this issue in the near-term but real capacity increases are necessary to build upon our success. I appreciate your support of this valuable program.

Acquisition Cross-Servicing Agreements (ACSA) or Mutual Logistic Support Agreement (MLSA) have enhanced interoperability, readiness, and provided a cost-effective mechanism for mutual logistics support for U.S. and allied forces supporting the WOT. USPACOM forces that participated in FY 03 Bilateral/Multinational Exercises (COBRA GOLD and BALIKATAN) were able to greatly reduce their logistics footprint by using ACSAs. Countries that deployed outside the AOR (Mongolia, the Philippines, South Korea and Thailand) in support of OEF and OIF have benefited significantly from these ACSAs as well.

PACOM currently has eleven ACSAs in place (Australia, Philippines, South Korea, Japan, Singapore, Malaysia, Mongolia, Thailand, New Zealand, Fiji, and Tonga). Nine other countries are ACSA-eligible (India, Indonesia, Bangladesh, Nepal, Brunei, Maldives, Madagascar, Mauritius and Sri Lanka), and we anticipate completing three agreements in the very near future. Additionally, we are renegotiating Malaysia's ACSA (expires in March 2004) and just signed a revision to Japan's ACSA to make it more

inclusive for support to the WOT. Last year we finalized Mongolia's ACSA in May and renegotiated Thailand's in September.

PROMOTING CHANGE AND IMPROVING OUR ASIA-PACIFIC DEFENSE POSTURE FOR THE FUTURE

Our top security concerns in the Pacific include the possibility of conflict on the Korean peninsula, miscalculation in places like Kashmir or the Taiwan Strait, and transnational threats like terrorism. These concerns - some longstanding and others just emerging - form only a subset of the global security challenges to which we and our partners must respond. This new threat context demands profound and enduring improvements in the way we command, equip, and employ our forces. Guidelines for these improvements have been clearly articulated by DoD.

At Pacific Command, like all regional combatant commands, our job is to transform that guidance into action. Several principles direct our work.

First and foremost, it is clear that our longstanding alliances, our strong friendships, and the forward presence of our combat forces will continue to form the foundation for our security posture in the Asia-Pacific region. This fact is reflected in the "reinforcing the constants" priority outlined earlier. Posture improvements and capability improvements, discussed below, are being developed in full consultation with our allies. Several mechanisms facilitate our dialogue, including the Defense Policy Review Initiative (Japan), Future of the Alliance Initiative (South Korea), Australia Ministerial/Military Representatives, Mutual Defense Board (Philippines) and the pending Strategic Framework Agreement with Singapore.

Second, our posture improvements must meet both current and future threats. Each change we make is intended to enhance our capability to meet security commitments not just in the Pacific, but also around the world.

While studying and incorporating the lessons learned from Operation ENDURING FREEDOM and IRAQI FREEDOM, we also recognize that many of our warfighting challenges in the Pacific were not stressed in those conflicts. Missions like missile defense, anti-submarine warfare, and air combat figure prominently in many potential conflicts and must continue to be improved.

Of course, clearly we recognize that just as our own capabilities have improved, so too have the military forces of our friends and allies. By incorporating these advances into our planning, we will improve the effectiveness of combined operations and reduce our reliance on forward based support functions.

And finally, we intend these adjustments to be enduring - improvements that not only meet our mutual security needs over the long term but in doing so, ease the burden we pose on friends and allies in the region.

With those principles in mind, Pacific Command has developed a six-element construct within which to organize our initiatives. We call it, "Operationalizing the Asia-Pacific Defense Strategy."

OPERATIONALIZING THE ASIA PACIFIC DEFENSE STRATEGY

Updating Plans. Our plans and our planning process are being updated to reflect the new threat context. Essentially every plan is being revised to support the 4-2-1 force planning construct while addressing both state- and non-state threats. This construct calls for regionally tailored forces, forward stationed and deployed in four primary areas of the globe

to assure our allies and friends and deter potential aggressors. If deterrence fails, our forces must be able to swiftly defeat the efforts of two aggressors and, if the President so directs, decisively defeat one of those two enemies. In the process, we are incorporating improvements in our capabilities - speed, precision, and lethality - while taking into account advancements in the capabilities of friends and allies. Lessons learned from OEF and OIF also inform the process.

The revision process is being accelerated, and resulting plans feature inherent flexibility. In short, we recognize that success against emerging threats requires us to sense, decide, and act inside the enemy's timelines.

We're also integrating the resources of relevant government agencies into our day-to-day planning and operations. Our inclusion of diplomatic, economic, and public diplomacy efforts reflects the fact that there simply aren't any strictly military solutions to today's security challenges.

Strengthening Command And Control. Benefiting from habitual command relationships, and using common tactics, techniques, and procedures, the synergy offered by joint command arrangements provides the speed of command necessary to successfully meet future threats.

Our evolving command and control constructs benefit from interagency relationships. The JIACG-CT and JRAC mentioned earlier are two examples of joint staff elements that support combatant command and joint task force efforts. And the expanding mission of the JIATF-W demonstrates the great facility of interagency integration.

Standing Joint Force Headquarters. Last year, PACOM stood up and exercised its first Standing Joint Force Headquarters (SJFHQ). In its current configuration, the SJFHQ rapidly augments a Joint Task Force

command element to accelerate its readiness for action. When not specifically tasked, core SJFHQ staff plan and train to prepare for a variety of contingencies.

My vision for the SJFHQ is to have a habitually trained organization that reduces long lead times routinely experienced in standing up Joint Task Forces. This organization will be trained on cutting edge planning and communication processes, tools and equipment in order to rapidly deploy and immediately facilitate command and control. The SJFHQ needs to be supported with adequate manning. Our SJFHQ is currently manned with 22 permanent and 36 augmented personnel. As we go forward in developing the SJFHQ (and its processes) for the Pacific, we are working closely with USJFCOM, which has been assigned overall responsibility for SJFHQ operating procedures.

We have also developed several concepts and tools to facilitate coalition contributions to regional security efforts. Our Multinational Planning Augmentation Team (MPAT) program is one such initiative that has enjoyed great success. MPAT is designed to facilitate the rapid and effective establishment and/or augmentation of multinational coalition task force headquarters.

One of the first products of the MPAT program was a Multinational Force Standing Operating Procedure (MNF SOP). These procedures standardize processes, promote cooperation, increased dialogue, and provide baseline concepts of operation for coalition task force efforts. They also serve as a centerpiece for multinational workshops, seminars and exercises aimed at improving coalition interoperability and operational readiness within the region. The MNF SOPs support the Secretary's Transformation Plan and have been shared with USJFCOM to support their coalition transformation efforts.

Developed by the combined efforts of 30 MPAT nations, the procedures are truly a multinational initiative.

Multinational participation in the MPAT program is robust, with 31 nations participating to date. Participation is not limited to Asia-Pacific nations. Canada, France, Germany and the United Kingdom have also supported MPAT program events and the development of multinational force standing operating procedures.

Currently, programs to support coalition building are financed by headquarters O&M funds. Additional funding marked specifically for multinational transformation efforts would greatly improve the Unified Commander's ability to improve on-going efforts and develop new transformation efforts.

As we strengthen ties with multinational and coalition partners, USPACOM continues to develop restricted-access and secure Internet opportunities with programs such as the Combined Enterprise Regional Information Exchange System (CENTRIXS) and the Asia Pacific Area Network (APAN). Protection of our coalition networks with information assurance technologies is a key component of our experimentation and transformation effort. We're also transforming our capability to communicate with coalition partners using machine language translation through a variety of text, voice, and pictorial translators.

The ability to place instructional material on the Asia-Pacific Area Network (APAN) to provide Internet-based training and Advanced Distributed Learning would benefit our Asia-Pacific partners and support our Theater Security Cooperation Program. We could more effectively use focused military education programs to develop regional skills required to accomplish cooperative security missions, improve civil-military relations, increase respect for human rights, and strengthen democratic principles.

For this reason, legislative initiatives have been drafted aimed at amending law to allow for the Secretary of Defense, after consultation with the Secretary of State, to authorize the Combatant Commander to provide traditional and Internet-based education and non-lethal training to military and civilian government personnel of friendly foreign nations.

Partnering with USJFCOM on a joint fires initiative, PACOM has integrated leading-edge time-sensitive targeting technology into joint operations across the strategic and operational force levels. Over the next two years, with your help, we envision extending our joint fires capabilities to the tactical level through a mix of fires and common picture technologies, such as Joint Task Force Wide Area Relay Network (JTF WARNET) and FORCEnet. We've already reduced the targeting cycle from hours to minutes by improving cross-component collaboration and targeting efficiencies, but there's still room to improve. The end result will be a more seamless battle space with coordinated fires and reduced risk of fratricide.

We are increasing our capabilities for immediate employment, emphasizing expeditionary combat power. Each of these capabilities has been evaluated to ensure support for regional contingency plans while meeting global requirements. Missile defense has already been discussed.

Stryker Armored Vehicle. The Stryker armored vehicle combines adaptability, firepower, and high technology in an expeditionary package. Lifted by C-17 aircraft or High Speed Vessels, Strykers have great relevance throughout the theater and are currently proving themselves under combat conditions in Iraq, demonstrating a readiness rate that exceeds current requirements. We look forward to the future Stryker brigades in Hawaii and Alaska.

F/A-22 Raptor. We need your support to fund and field the F/A-22 Raptor in the USPACOM AOR. The transformational capabilities of this remarkable aircraft will have enduring relevance for our warfighting needs, and promise to directly enhance both warfighting effectiveness and war plan options in the near future.

SSGN. The conversion of four TRIDENT class submarines to cruise missile/Special Operations Force (SOF) carriers has particular appeal in the Pacific, where our most demanding potential warfights and the continuing threat of terrorism converge. We appreciate your far-sighted support of this important platform.

New Operating Patterns And Concepts. These immediately employable forces are in turn integrated into operating patterns and concepts that satisfy both peacetime and wartime requirements. For example, the Navy's first Expeditionary Strike Group recently completed a very successful deployment to Southwest Asia and the western Pacific. Tailored air packages, based and launched from such maritime platforms, can satisfy a variety of missions ranging from non-combatant evacuation to maritime interdiction. This concept is particularly adaptable in joint and combined settings.

As yet another example, we routinely deploy bomber elements to Guam, demonstrating both the responsiveness and flexibility of the U.S. Air Force and America's ability to respond quickly to any crisis in the AOR.

Improving Force Posture And Footprint. Changes in the global security environment provide both the opportunity and the necessity to improve our force posture, positioning forces where they have the greatest warfighting relevance while reducing irritants to host nation citizens. We are considering a number of posture improvements - each of them a response

to new threats, updated plans, and increased capabilities of allied and friendly forces.

This element of our transformation strategy is underwritten by five primary assumptions. First, our network of alliances and partnerships in the Pacific region is a strategic asset for the nation - it will not be undermined. We also know that our posture must allow us to deal with uncertainty - because in the future, we probably won't fight from our current positions. Of course, we are designing posture adjustments to facilitate employment of forces both within and across combatant command regions. Fourth, the immediately employable forces discussed above argue for forward force presence. In short, we're not looking to move combat power back toward the US mainland. And finally, technological advances allow us to focus on capabilities, as numbers no longer reflect actual combat power.

We are well aware of the domestic and international political sensitivities associated with these changes. We also appreciate the complexity these changes add both to the upcoming BRAC process in 2005 and to our continuing MILCON programs. We will keep our friends, allies, and the Congress informed.

Diversifying Access And Enroute Logistics. Finally we want to diversify contingency access opportunities in the Pacific region. Increasing our access options improves training opportunities, contributes to theater security cooperation objectives and, most important, provides warfighting flexibility when we need it most. We are looking at a number of Cooperative Security Locations (CSLs) throughout the Pacific - "places" rather than "bases" that meet these goals.

SUMMARY STATEMENT

In the U.S. Pacific Command, our dedicated men and women, both in and out of uniform, continue to operationalize our nation's strategic guidance, assuring our allies, dissuading our adversaries and deterring aggression. The combined talents and energies of our region's friends and allies continue to promote peace and prosperity in the Asia-Pacific region. We are fully committed - in every conceivable way - to winning the war against terrorism. Meanwhile, we are maintaining a ready and viable fighting force capable of decisively defeating any adversary, all the while mindful that our personnel, our friends and allies and our progressive transformation efforts will continue to improve our Asia-Pacific defense posture for the future.

As you know, our finest citizens wear the cloth of the nation. They have never doubted nor failed to appreciate your advocacy. On behalf of the men and women of U.S. Pacific Command, thank you for your support, and thank you for this opportunity to testify on our defense posture.

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STATEMENT OF
GENERAL LEON J. LAPORTE
COMMANDER, UNITED NATIONS COMMAND,
COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND,
AND COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE HOUSE ARMED SERVICES COMMITTEE

31 MARCH 2004



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Mr. Chairman and distinguished members of the committee, i am honored to again appear before you as Commander, United Nations Command; Commander, Republic of Korea—United States Combined Forces Command; and Commander, United States Forces Korea. On behalf of the more than 37,500 Soldiers, Sailors, Airmen, Marines, and 5,700 Department of Defense civilians serving in Korea, I thank you for your unwavering support which enables us to maintain readiness and accomplish our deterrence mission on the Korean peninsula. I appreciate this opportunity to present my assessment of the command and our implementation plan for continued military transformation of the Republic of Korea—United States Alliance.

Much has changed in the more than half century of the Republic of Korea—United States Alliance, and the pace of change has quickened since the events of September 11, 2001 violently demonstrated that the world security would be governed by a new paradigm. A new generation of young South Koreans, cognizant of their national achievements and aspiring to a larger role in international affairs, is now assuming leadership of the Republic of Korea. Last year, North Korea posed renewed threats to global security by acknowledging its pursuit of nuclear weapons, and withdrawal from the Nuclear Non-Proliferation Treaty and other related international agreements. At the same time, the United States' security responsibilities, and our interdependence with allies and coalition partners, have grown throughout the world.

While the dynamics of the security environment have changed and our security relationships continue to mature, the fundamental purpose of the Republic of Korea—United States Alliance remains unwavering: deter and defend against the North Korean threat; and mutual commitment to regional security and stability. Together, we continue to steadfastly oppose North Korea's renewed efforts to divide the Alliance and threaten peaceful nations. We are engaged in a detailed policy dialogue for the military transformation of the Republic of Korea—United States Alliance over the next few years. This transformation plan includes momentous changes for an enduring United States military presence in Korea and a stronger alliance. This military transformation will bolster the United Nations Command and the Republic of Korea—United States Combined Forces Command, the guarantors of regional security and stability.

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Today, I will address the importance of continued stability and security in Northeast Asia, the North Korean threats to the region and the world, the changes in South Korean society, the Republic of Korea's contributions to global and regional security, and the progress toward strengthening the alliance through "Enhance, Shape, and Align" initiatives. Finally, I will outline areas needing your sustained investment for the future of United States Forces based in Korea and the Republic of Korea—United States Alliance.

The Northeast Asia Security Environment

The United States has significant, long-term interests in the Northeast Asia region. These interests include economic cooperation and interdependence, mitigating threats to regional stability, and fulfilling our commitments to allies and friends. Economic interdependence is a result of improved information technologies and transportation networks that speed the flow of capital, goods, and services around the globe. United States trade with the People's Republic of China, Russia, Japan, Taiwan, and the Republic of Korea approaches one fourth of our total international trade, exceeding our trade with the European Union, and is second only to the United States trade within the North American Free Trade Agreement. Bi-lateral United States—Republic of Korea trade exceeded \$59 billion last year, and United States—Japan trade was over \$155 billion. In addition to bi-lateral trade, United States direct investment in the larger Northeast Asia approached \$100 billion in 2003. United States trade with, and investment in, the region is substantial and projected to continue growing in the near term.

Even with the trends toward economic cooperation and interdependence, well documented historical enmity and a tenuous balance of power remain potential sources of instability. The Northeast Asia region is the crossroads of five of the world's six largest militaries and three of the world's declared nuclear powers.¹ There has been an upward trend in regional military expenditures over the last decade, with the regional average budget for force improvement increasing 15 percent, while the global average declined by 35 percent. North

¹ The world's six largest militaries, measured by personnel strength, are: The People's Republic of China, United States, India, North Korea, Russia, and the Republic of Korea. The declared nuclear powers under the Nuclear Non-Proliferation Treaty (NPT) are: United States, Russia, China, France, and Britain. India and Pakistan are considered self-declared nuclear powers, acknowledged to possess nuclear weapons, but not signatories of the NPT.

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Korea's efforts to strengthen its military, in light of its bellicose rhetoric and history of provocation, remain the most substantial threat to regional peace.

The long-standing presence of United States Forces and the strength of our strategic partnerships are the foundation of regional stability that is the catalyst for continued cooperation and prosperity. Forward-deployed United States Forces demonstrate our resolve to strengthen and expand alliances, eliminate threats from weapons of mass destruction, work with partners and friends to defuse regional conflicts, and stand with our partners to oppose threats to freedom wherever they arise. Robust United States Forces based in Korea, along with the Republic of Korea and other regional partners, continue to deter an increasingly manipulative North Korea.

North Korean Challenges to Regional and Global Security

North Korea poses a variety of threats to regional and global stability. Its leader, Kim Jong-il, shows little regard for the welfare of ordinary citizens, and uses brutal internal security measures to ensure that no internal challenge to his regime emerges. He maintains large conventional and special operations forces. He sustains an active chemical and nuclear weapons development program, and is a major proliferator of missiles and related technologies. He increasingly supports illicit activities such as drug trafficking and counterfeiting to generate hard currency. North Korea demonstrates little regard for international convention or agreements. The regime repeatedly uses the threat of large-scale war and weapons of mass destruction in order to extort aid or other concessions from the international community.

While reunification of the peninsula under North Korean control remains the primary stated purpose of the regime, Kim Jong-il's immediate overriding concern is to remain firmly in control. He personally occupies all key party, military, and government leadership positions. Kim Jong-il rules the nation through a small cadre of lavishly rewarded elites who control all aspects of North Korean life. There is little evidence that any significant threat to the regime exists.

The North Korean Economy

The North Korean economy continues to decline and shows little prospect of recovery. Despite North Korea's limited experiments with reform, total economic output has dropped

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nearly 50% since 1992. Today, factories operate at less than 25% of 1992 capacity. The nation's power and transportation infrastructure are in need of massive overhaul. Agricultural output can only feed 66% of the population. North Korea's economic decline is largely due to poor policy, mismanagement, under-investment, and a lack of resources. The regime's "Military First" policy directs approximately one-third of the domestic output to the military, thus limiting resources that could be used to improve the welfare of its people. North Korea's economy remains bolstered by aid from the international community and profits from regime-sanctioned illicit activities such as drug production, smuggling and counterfeiting.

The North Korean Military

The North Korean People's Army ensures regime survival by deterring external threats and providing the tool that enables the Kim regime to extort aid from the international community. North Korea has the fifth largest armed force in the world.² The ground force has almost one million active duty soldiers. About 70 percent of the North Korean Army is deployed south of Pyongyang, where they are capable of attacking with little tactical warning. A large number of North Korean long-range artillery systems can strike Seoul from their current locations. The North Korean air force has over 1,700 aircraft. The navy has approximately 800 vessels. The derelict North Korean economy has impaired the readiness, modernization, and sustainability of their conventional forces over the past decade, crippling Pyongyang's capacity to reunify the peninsula by force. However, the size, firepower, and proximity of North Korea's conventional forces to Seoul – coupled with their lethal asymmetric threats – give North Korea the capability to inflict great destruction and casualties if they chose to attack.

North Korean Asymmetric Threats: Special Operations Forces, Missiles, and Weapons of Mass Destruction

North Korea's asymmetric capabilities are large and dangerous. North Korea's 122,000-man special operations force is the world's largest, and a high funding priority for the regime. They are tough, dedicated, well trained, and profoundly loyal to the Kim regime. During conflict, these forces would direct long-range fires against key facilities, attack to disrupt command

² North Korea has a population of 22 million; over one million are active duty military, an estimated two million are employed in military support or state security work, and over six million are members of the armed forces reserve.

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facilities of the Republic of Korea-United States Combined Forces Command, and seek to destroy force generation and reinforcement from beyond the peninsula.

The North Korean ballistic missile inventory includes over 500 SCUD missiles that can deliver conventional or chemical weapons across the entire peninsula. They continue to produce and deploy medium-range No Dong missiles capable of striking cities and military bases in Japan with these same payloads. Continued research on a three-stage variant of the Taepo Dong missile could provide North Korea the capability to target the continental United States.

North Korea has an assessed significant chemical agent stockpile that includes blood, blister, choking, and nerve agents. These weapons threaten both our military forces and civilians in the Republic of Korea and Japan. We also assess Pyongyang has an active biological weapons research program, with an inventory that may include anthrax, botulism, cholera, hemorrhagic fever, plague, smallpox, typhoid and yellow fever. North Korea believes that these missile, chemical, and biological weapons programs measurably contribute to its security from external threats and supplement their conventional military capabilities.

North Korea's abandonment of the 1994 Agreed Framework and International Atomic Energy Safeguards Agreement, withdrawal from the Nuclear Non-Proliferation Treaty, restart of the Yongbyon nuclear reactor, and declarations they have reprocessed 8,000 spent nuclear fuel rods indicate they are following a path that may lead to additional nuclear weapon production. The intelligence community assesses North Korea already has one or two nuclear weapons, and that they have the potential to make several additional nuclear devices. The Kim regime has clearly stated it will continue to increase its "nuclear deterrent capability" unless it receives significant economic assistance, security guarantees, and appropriate political concessions from the international community. In this context, proliferation of North Korean advanced weapons and related technologies remains a significant concern to the United States and its allies.

Assessment of the North Korean threats

North Korea poses a dangerous and complex threat to peace and security in the region and throughout the world. The Kim regime maintains a delicate balance of threats to ensure regime survival. They maintain a massive, offensively postured, conventional force that far

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exceeds the requirements to defend their country. Their continuing weapons of mass destruction programs constitute a substantial threat to Northeast Asia and the world. The Korean People's Army continues to invest heavily in military programs designed to offset our operational superiority. We see no indications the Kim regime will change its "Military First" policy, brinkmanship, nuclear challenges, missile proliferation, and illegal activities that ensure regime survival. The North Korean people will continue to suffer under an oppressive regime. For the foreseeable future, North Korea remains a major challenge to security in Northeast Asia.

The Republic of Korea—United States Alliance

The Republic of Korea—United States Alliance was formed to deter North Korean aggression and preserve peace and security in the region. For over 50 years, we have accomplished these tasks in a dynamic political and security environment. Much has changed in those 50 years, and many of the changes are irreversible. Our economies have prospered and become more intertwined. Democratic institutions are stronger, reflecting the aspirations of new generations. Though these changes have not always been smooth in either country, the Alliance has evolved to remain the foundation of regional deterrence and security. The Republic of Korea has been, and remains a reliable ally in regional and global security.

The Republic of Korea Today

Throughout our half-century of economic and security cooperation, the Republic of Korea has become one of the leading economic powers and a pre-eminent democracy in the region. The Republic of Korea has the 11th largest gross domestic product in the world, and the third largest in Northeast Asia. This growth has been fueled by global exports of high technology and consumer goods. The United States is the Republic of Korea's largest trading partner, with 2003 annual bilateral trade exceeding \$59 billion. The United States was the second largest source of foreign direct investment in the Republic of Korea, totaling about \$1.2 billion (19.2 percent of total) in 2003.

While the Republic of Korea has firmly secured its place as an independent economic force in the global economy, 2003 has not been without challenges. Declines in domestic consumption slowed the growth of their domestic economy from 6.3 percent in 2002 to 2.9 percent in 2003. High household debt, rising unemployment, increasing individual and

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corporate bankruptcy, and disruptive labor strikes combined to further slow their economy. Rising labor costs and appreciation of the won against the dollar accompanied a shift in Republic of Korea foreign direct investment toward China and efforts to conclude bi-lateral free trade agreements with several nations. Most forecasts indicate a Republic of Korea economic recovery throughout 2004, with gross domestic product growing at rates between 4.5 and 6 percent. Analysts expect the Republic of Korea's current and trade account surpluses to grow over 60% in 2004 on the strength of its export economy, particularly in the electronics and automobile sectors. Fostering economic recovery remains a top priority for the Republic of Korea government, essential to achieving President Roh's vision of transforming the Republic of Korea into the transportation, financial, and information technology hub of Northeast Asia. Beyond economic growth, the Roh administration is focusing on improving the domestic democratic process in ways that reflect new societal values of a younger generation.

2003 can be considered a watershed in the development of democracy in the Republic of Korea. Older, less vocal conservative South Koreans continue to support a United States military presence on the Korean peninsula, reciprocal security cooperation under the Mutual Defense Treaty, and a pragmatic approach to North Korea. However, a generation born after the end of the Korean War has begun to assume a larger role in business and government. These younger Koreans are keenly aware of their achievements and motivated by a heightened sense of nationalism. Younger South Koreans generally want a more independent role in world affairs, a role consistent with the Republic of Korea's economic power. They advocate domestic and foreign policies based on national interest, particularly with respect to Republic of Korea—United States relations. Impassioned editorial debate and public demonstrations regarding the presence of United States Forces in Korea, the Republic of Korea's dispatch of troops to Iraq and resolving the North Korea nuclear issue demonstrate the strength of their views and the dynamics of domestic Korean politics. These dynamics firmly demonstrate that the Republic of Korea continues to be a healthy democracy, fully capable of managing change through constitutional processes.

Generational perspectives on North Korea clearly illustrate the changing social and political dynamics in Republic of Korea society. There is a clear generational divide over the military threat posed by North Korea. Older South Koreans, who recall the devastation caused

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by the Korean War, express a desire to maintain a strong defense against the North while following a path of pragmatic engagement to reduce North Korean military threats in a sustainable multi-lateral way. Younger South Koreans view North Korea as peaceful cultural brothers and potential trading partners. Some younger Koreans perceive little military threat from the North, expressing the view that North Korea would never use its military against the Republic of Korea. However, most South Koreans agree on two issues: first, a nuclear armed North Korea is an intolerable threat to stability; and second, catastrophic failure of the North Korean system would destabilize the entire region and have substantial adverse consequences for South Korea. To avoid these adverse consequences and accommodate domestic views, the Republic of Korea has adopted a patient approach toward inter-Korean relations.

The Roh administration developed the "policy for peace and prosperity" to guide inter-Korean relations.³ This policy formally opposes North Korea's pursuit of nuclear weapons while continuing efforts toward inter-Korean rapprochement through humanitarian assistance, family reunions, tourism, and trade. Under the Ministry of Unification's "policy for peace and prosperity", inter-Korean commerce has steadily grown to \$670 million per year. The Ministry of Unification plans to expand access to the Mt. Gungang tourist resort, develop investment in the proposed Kaesong Industrial Complex, and use the inter-Korea transportation corridors to further advance the Republic of Korea as the transportation hub of Northeast Asia. The "policy for peace and prosperity" envisions this increased economic prosperity as the engine of peace and the key to replacing the Armistice Agreement with a peace agreement.⁴ However, full implementation of this policy is predicated on resolving the North Korean nuclear issue.

³ "The Policy for Peace and Prosperity" was developed by the Republic of Korea Ministry of Unification and published in 2003, updated in January 2004. In summary, the goals of the policy are: (1) promote peace on the peninsula, and, (2) pursue mutual prosperity for North and South Korea while contributing to prosperity in Northeast Asia. Guiding principles and implementing actions include: resolve issues through dialogue; promote international cooperation "based on the principle of the parties directly involved"; expand public participation in rapprochement dialogue; peacefully resolve the North Korean nuclear issue, fully accounting for the positive impact of inter-Korean economic cooperation; and replace the Armistice Agreement with a Peace Agreement. Available from <http://www.unikorea.go.kr/en/main.php>, accessed January 20, 2004.

⁴ The "Policy for Peace and Prosperity" seeks "the eventual replacement of the current armistice agreement with a peace agreement between South and North Korea." It acknowledges that "international institutional arrangements safeguarding the peace regime should also be pursued." This Republic of Korea policy seeks a bilateral inter-Korean agreement, rather than a comprehensive solution that involves the parties represented by the Armistice Agreement.

The Armistice Agreement, between senior representatives from the Korean People's Army, Chinese People's Volunteers, and, the United Nations Command, was signed on July 27, 1953 to govern cessation of hostilities on the Korean Peninsula. Because the Armistice Agreement has not been replaced by a permanent peace settlement, it remains the governing authority over all activity inside the Demilitarized Zone, including inter-Korean commerce and humanitarian visits. Article I of the Armistice Agreement establishes the Military Demarcation Line and Demilitarized Zone (DMZ) between the forces and prevents access to the DMZ without consent from the Military Armistice Commission. Today, the northern side of the DMZ is controlled by the Korean People's Army and the southern side of the DMZ is controlled and administered by United Nations Command. Article II establishes concrete

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Diverse public opinion reflects the growth of democratic freedoms and nationalism in the Republic of Korea. The Republic of Korea is experiencing changes familiar to other democracies – healthy growth and generational transfer of authority. It seeks to adapt its foreign policy, establishing more egalitarian relations based on mutual interests rather than historical attachment. Undoubtedly, United States policies in general, and the nature of United States military presence in Korea, are likely to remain a central issue in the domestic Korean policy debate, particularly in the weeks before the April 2004 quadrennial National Assembly elections. Biased media portrayal of the Republic of Korea—United States Alliance will likely continue; however, the foundations of such expressions of bias are as much a function of Korean domestic politics as it is an expression of genuine anti-American sentiments. However, continued cooperation on security interests shows that the Republic of Korea continues to be a reliable ally.

Growth in the Republic of Korea—United States Alliance

This past year marked the 50th Anniversary of the Republic of Korea—United States Mutual Defense Treaty and the Armistice Agreement. Veterans of many nations who defended the Republic of Korea during the 1950-1953 war returned to Korea to commemorate these historic events. South Koreans of all ages welcomed these Korean War veterans, proudly displaying the democratic society and economic miracle that grew from the dedication and sacrifice of those who defeated unprovoked North Korean aggression.

During their May 2003 Summit Meeting, President Bush and President Roh noted the significance of the 50-year partnership and highlighted the importance of building a dynamic alliance relationship for continued peace and prosperity on the Korean Peninsula and in Northeast Asia. Noting the Republic of Korea's growing national strength, the presidents pledged to increase mutual security cooperation and to modernize the Republic of Korea—United States Alliance by improving military capabilities, and consolidating United States Forces south of the Han River, including the relocation of United States Forces from the Seoul metropolitan area at an early date. The shared views of President Bush and President Roh

measures to ensure separation of forces along the DMZ. The balance of the Armistice Agreement outlines composition, authorities and responsibilities of the Military Armistice Commission; recommends that the governments seek peaceful settlement of the Korean question, and provides measures for amending the Armistice by mutual agreement.

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have reinforced the importance of frank dialogue and mutually beneficial cooperation between our nations.

The Republic of Korea's support to global and regional security

Consistent with this spirit of mutual cooperation, the Republic of Korea continues to increase its contributions to allied defense burdensharing through troop contributions and pledges of humanitarian assistance for Afghanistan and Iraq, participation in United Nations peacekeeping operations, and sharing the costs of stationing United States Forces in Korea.

The Republic of Korea remains a consistent contributor to regional security and the war on terror. The Ministry of National Defense maintains liaison officers at U.S. Pacific Command and U.S. Central Command to coordinate support for Republic of Korea contingents participating in United States-led coalition operations in Iraq and Afghanistan. The Republic of Korea continued its second year of troop and financial support to operations in Afghanistan. Throughout 2003, the Republic of Korea provided a 56-man medical unit and a 150-member engineer construction unit in Afghanistan, along with a 38-man medical detachment in Kyrgyzstan. Republic of Korea contributions to Afghanistan, valued at \$155 million, included transportation support, radios for two newly formed Afghan National Army battalions, and in-kind military contributions to stability and reconstruction. The Republic of Korea maintains its pledge to provide \$45 million in reconstruction funds focused on Afghan vocational-technical education and medical assistance, \$150,000 for Interim Afghan Administration expenses and \$12 million for regional humanitarian aid to Afghanistan's neighbors in the 2002-2004 period.

Following the defeat of the Saddam Hussein regime in Iraq, the Republic of Korea provided a 675-man non-combatant contingent for stability operations and donated \$60 million for reconstruction projects. In October 2003, the Roh administration pledged an additional \$200 million, delivered over the next four years, for reconstruction projects in Iraq. In December 2003, the Roh government pledged to send additional troops to assist with reconstruction and humanitarian operations. In February 2004, the National Assembly authorized deployment of up to 3000 additional troops composed of both non-combat forces for reconstruction and

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infantry and special operations troops for force protection.⁵ United States Central Command and the Republic of Korea Ministry of National Defense continue to coordinate the details of this additional troop deployment. We congratulate the Republic of Korea for their continued pledges of commitment to the growing global coalition assisting with Iraqi recovery.

Beyond Afghanistan and Iraq, the Republic of Korea has been a partner in United Nations peacekeeping operations around the globe. After approximately four years of supporting the United Nations mission in East Timor, the Republic of Korea withdrew its 250-man infantry battalion last October. Six Republic of Korea staff officers remain in East Timor to support the United Nations operation in the world's newest nation. The Republic of Korea continued to post 20 medical officers in the Western Sahara, nine military observers to the Kashmir mission, and seven military observers in Georgia. Additionally, Lieutenant General Hwang Jin-ha continued to command the United Nations Peacekeeping Force in Cyprus, the first instance of the Republic of Korea commanding a United Nations peacekeeping force. Collectively, these contributions are a strong testament to the Republic of Korea's commitment to stability and security beyond the Korean Peninsula.

The Republic of Korea's support to United States Forces Korea

The Republic of Korea government continued to increase its contributions to offset the cost of maintaining United States Forces in Korea. In 2003, the Republic of Korea provided support equivalent to approximately 40 percent of the non-personnel stationing costs of United States Forces Korea. Last year's indirect cost sharing was valued at approximately \$544 million and direct cost sharing was \$540 million.⁶ Based on the current rate of cost sharing increases, the Republic of Korea is poised to enter the top half of allied nations contributing to the cost of maintaining the installations and services supporting United States Forces stationed within their borders. The upcoming negotiations for the Republic of Korea—United States Special

⁵ On February 13, 2004, the Republic of Korea National Assembly authorized deployment of up to 3000 additional troops "for the purpose of peace-keeping and reconstitution to Iraq from 1 April to 31 December 2004."

⁶ Indirect cost sharing includes foregone rents for facilities used by United States Forces Korea and tax exclusions for goods and services provided under the Status of Forces Agreement. Direct cost-sharing contributions are governed under the existing Special Measures Agreement, which will expire in 2004. Under this agreement, the Republic of Korea annually increases direct cost sharing by 8.8%, adjusted for inflation. Direct cost sharing contributions are a combination of cash payments and in-kind services. Republic of Korea direct cost-sharing contributions for 2004 are estimated to be \$602 million based on current economic projections.

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Measures Agreement provide a welcome opportunity to develop a long-term agreement for sustained real growth in Republic of Korea defense cost sharing contributions.

Strengthening the Republic of Korea—United States Alliance

Efforts to strengthen the alliance begin with improving the South Korean people's appreciation of United States Forces based in Korea. The "Good Neighbor" programs at every command level continue to emphasize the importance of reaching out to our South Korean hosts to foster a better understanding of our shared values and interests. To connect directly with the South Korean people, we established an interactive Korean language web site as a source of information on United States Forces Korea. A Korea Advisory Council meets quarterly and remains a productive venue for senior United States Forces Korea leaders to dialogue with the Republic of Korea's leading citizens, religious leaders, academics, and government and business officials. The Korea Advisory Council, coupled with the interactive Korean language web site, ensures that our Korean hosts have the opportunity to present their views directly to senior leaders at every command level of United States Forces based in Korea.

All commanders of United States units have continued their "Good Neighbor" programs that are centered on community outreach programs to improve mutual understanding with their local hosts. "Good Neighbor" programs include the Adopt-A-School program, cultural tours and exchanges, volunteer English language tutors, and sponsorship of orphanages. These efforts contribute to mutual appreciation and allow our service members to contribute to the communities in which they live and work. Particularly impressive was the large number of United States Soldiers, Sailors, Airmen, and Marines who volunteered their time to assist local communities to clean up after *Typhoon Maemi* ravaged several communities last September.

These community outreach programs have been accompanied by a measurable reduction in the frequency and intensity of protest demonstrations in South Korean host cities. Our efforts to improve mutual understanding cannot guarantee that United States presence in Korea will not be manipulated for domestic political purposes. However, we can safely deduce that these community outreach programs contribute to building individual friendships that will strengthen the South Korean appreciation for the contributions that the men and women of United States Forces Korea bring to the Korean peninsula and Northeast Asia.

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Transforming the Commands

The Republic of Korea—United States Alliance – a security partnership forged during the Korean War and exemplified today through the United Nations Command and Republic of Korea—United States Combined Forces Command – is the foundation for the security of the Korean peninsula and continued regional stability. The United States—Republic of Korea Presidential Summit Meeting in May 2003 reinforced the importance of the alliance for maintaining vigilance towards North Korea and preparing the alliance to contribute to broader regional stability in the longer term. The two presidents reinforced their mutual desire to establish a stable stationing plan that supports a sustainable, long-term United States presence and contributes to continued regional stability. These mutual presidential commitments reinforce the ongoing policy dialogue to foster military transformation and improve the alliance through the *Future of the Republic of Korea—United States Alliance Policy Initiative*.

The *Future of the Republic of Korea—United States Alliance Policy Initiative* is a two-year long series of consultations, jointly chartered by the United States Secretary of Defense and Republic of Korea Minister of National Defense at the 34th Security Consultative Meeting in December 2002, designed to strengthen and transform the alliance.⁷ Key tasks of this consultative body include: integrate the transformations of the United Nations Command, Republic of Korea—United States Combined Forces Command, and United States Forces Korea; establish a sustainable stationing environment for United States Forces based in Korea; and examine ways to strengthen the alliance in the mid-to-long term. The first year's discussions made significant progress on each of these issues, resulting in agreements to enhance, shape, and align forces to deter North Korea and prepare for future security missions to enhance stability in the broader Northeast Asia region. Briefly stated, the objectives of the "Enhance, Shape, and Align" concept are to ensure that we: have the right capabilities on the peninsula to deter and, if necessary, defeat North Korean aggression; assign roles and missions to the appropriate units; and replace the post-Cold War basing plan with less intrusive, enduring hubs. The subsequent paragraphs describe how the "Enhance, Shape, and Align" concept,

⁷ The *Future of the Republic of Korea—United States Alliance Policy Initiative* is a fully integrated interagency consultative effort of both governments. The United States delegation includes representatives of the Department of State, Office of the Secretary of Defense, United States Joint Staff, United States Pacific Command, and United States Forces Korea. The Republic of Korea

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supported by command priorities, has strengthened the Republic of Korea—United States Alliance and contribute to transformation of United Nations Command, Combined Forces Command, and United States Forces Korea.

United Nations Command

The United Nations Command, the longest standing coalition in the history of the United Nations, represents the international community's enduring commitment to security and stability on the Korean peninsula.⁸ On behalf of the 15 member nations, the United Nations Command actively supervises compliance with the Armistice Agreement, fulfilling the mutual pledge to "fully and faithfully carry out the terms" of the Armistice and "if there is a renewal of the [North Korean] armed attack, challenging again the principles of the United Nations, we should again be united and prompt to resist." Today, the members of the United Nations Command coalition in Korea remain vigilant in an uneasy peace; ensuring compliance with the Armistice Agreement.

United Nations Command responsibilities include Armistice-related meetings, impartial investigations of alleged Armistice violations committed by either side, and supervision of the two transportation corridors through the Demilitarized Zone. Last year, United Nations Command officers held 26 meetings with representatives of the North Korean People's Army at Panmunjon to discuss matters related to the Armistice. These meetings continue to be an important forum for frank dialogue, preventing potential miscalculation or misinterpretation by the forces deployed along the Demilitarized Zone.

Impartially investigating allegations of Armistice violations on both sides of the Military Demarcation Line prevents relatively minor incidents from escalating into destabilizing crises. In 2003, the United Nations Command conducted 22 special investigations of incidents, concluding that the North Korean People's Army had committed 13 major violations of the Armistice Agreement. These violations, an increase over last year, raised significant concerns because they involved unauthorized Military Demarcation Line crossings or discharge of

delegation represents the National Security Council, the Ministry of Foreign Affairs and Trade, the Ministry of National Defense, and the Republic of Korea Joint Staff.

⁸ U.N. Security Council Resolutions following the 1950 North Korean invasion established the United Nations Command. United Nations Command member nations are: Australia, Belgium, Canada, Columbia, Denmark, France, Greece, The Netherlands, New Zealand, Norway, Philippines, Thailand, Turkey, United Kingdom, and the United States.

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weapons inside the Demilitarized Zone. The prompt and transparent United Nations Command investigation of Armistice-related incidents prevented escalation or miscalculation.

The United Nations Command also monitors Armistice compliance and approves Demilitarized Zone crossings associated with the on-going construction of the two transportation corridors through the Demilitarized Zone. These transportation corridors are integral to the Republic of Korea's efforts to foster inter-Korean reconciliation and cooperation. Because of the threat posed by North Korea's forward deployed forces, the United Nations Command rigorously enforces Armistice rules for activities inside the Demilitarized Zone. This diligence ensures that the transportation corridors cannot be exploited for prohibited purposes that may adversely affect the security of the Republic of Korea.

The United Nations Command has full responsibility for enforcing the Armistice. It has delegated responsibility for patrolling the southern half of the Demilitarized Zone, except the Joint Security Area at Panmunjon, to Republic of Korea Army units. A combined Republic of Korea—United States battalion, organized under the United Nations Command, provides the physical security of the Joint Security Area. During the 25th meeting of Republic of Korea—United States Military Committee in December 2003, our two nations agreed to transfer primary responsibility for the protection of the Joint Security Area from United States to Republic of Korea forces in 2004.⁹ The Military Committee agreed that the United States will continue to command the United Nations Joint Security Area Security Battalion and provide the nucleus of staff, while the Republic of Korea will replace all United States personnel directly involved in security patrols, manning observation posts, and base operations support. This mission transfer is part of a more comprehensive agreement adjusting the roles and missions of the respective armed forces, which acknowledges the increased capabilities of the Republic of Korea Army and the predominant Republic of Korea role in its national security.

For the foreseeable future, the United Nations Command will continue its significant contributions to security and stability on the Korean peninsula and in the region. Beyond its

⁹ The Republic of Korea—United States Military Committee, established by the Combined Forces Command's Terms of Reference and Strategic Directives, includes the Senior United States Military Representative in Korea, the Chairman of the United States Joint Chiefs of Staff, the Chairman of the Republic of Korea Joint Chiefs of Staff, the Commander of Combined Forces Command and appropriate members of their respective staffs. The Military Committee holds annual meetings to review combined defense policy issues and act on directives from the Republic of Korea—United States Security Consultative Meeting.

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direct responsibilities to enforce the Armistice, the United Nations Command has the potential to become a forum for improving regional military cooperation between the Republic of Korea and Japan. This near term cooperation centers on the seven United Nations Command bases located in Japan that provide logistical support in the event of a conflict on the Korean Peninsula.¹⁰ Notably, the United States Pacific Command's Theater Security Cooperation Plan recognizes this opportunity to enhance regional security cooperation. This year's visit to United Nations Command rear bases in Japan by the Republic of Korea's Chairman of the Joint Chiefs of Staff is but one example of the United Nations Command's ability to facilitate regional security cooperation. Rest assured that the dedicated members of the United Nations Command, backed by the 15 member nations and Combined Forces Command, continue to guard the security of the Republic of Korea, and contribute to improved regional security cooperation and confidence building. Congressional approval of Title XII provisions that allow the United States to support our foreign coalition liaison officers will continue to enhance the effectiveness of the United Nations Command and Combined Forces Command.

Combined Forces Command

Since its inception a quarter century ago, the Combined Forces Command has been the cornerstone of deterrence on the Korean peninsula: vigilant; well trained; ready to fight tonight and win. This combined deterrence is achieved by an integrated team of approximately 680,000 active and 3,040,000 reserve personnel from the Republic of Korea and more than 37,500 United States military personnel forward deployed on the Korean peninsula.¹¹ The United States Forces assigned to Korea add state-of-the-art operational capabilities to the Korean peninsula. Together, these forces are a potent, integrated team with the military prowess and dominant military capabilities to defeat any provocation on the Korean peninsula, deterring escalation that could destabilize the region.

¹⁰ Eight of the United Nations Command (UNC) member nations maintain liaison with the UNC rear headquarters in Japan: Australia, Canada, France, New Zealand, Philippines, Thailand, United Kingdom, and the United States. Use of UNC bases in Japan is governed by a status of forces agreement between United Nations Command and the Government of Japan. UNC rear bases are located on Honshu (Camp Zama, Yokota Air Base, and Yokosuka Naval Base), Kyushu (Sasebo Naval Base), and Okinawa (Kadena Air base, Futenma Marine Corps Air Station, White Beach Naval Facility)

¹¹ Republic of Korea Ministry of National Defense, *Participatory Government Defense Policy 2003*. Active forces include 550,000 Army, 67,000 Navy and Marine Corps, 63,000 Air Force. Active forces are predominantly composed of conscripts with a 24-28 month term of service.

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Readiness is the hallmark of the Republic of Korea—United States Combined Forces Command. The robust annual Combined Forces Command exercise program, supported by subordinate command training programs, ensures that the command is prepared for likely contingencies. The theater-level exercises, ULCHI-FOCUS LENS; RECEPTION, STAGING, ONWARD MOVEMENT, and INTEGRATION; and FOAL EAGLE collectively train over 400,000 active and reserve component personnel in the critical tasks essential to deterring, and if necessary, defeating a limited warning attack against the alliance. These command post and field training exercises use battle simulations technologies to train leaders in battle command, leveraging the significant theater-wide investment in Command, Control, Communications, Computers, and Intelligence systems. These combat enablers provide the means to collaboratively plan, execute, and assess effects from distributed locations; allowing the Combined Forces Command to see, understand, and act to dominate the battlespace. ULCHI-FOCUS LENS is a simulation-driven command post exercise focused on joint and combined effects-based operations, and sustaining command and control, logistics, and dominant maneuver skill sets. The objective of the RECEPTION, STAGING, ONWARD MOVEMENT, and INTEGRATION exercise is to improve the ability to rapidly reinforce and sustain operations in the Korean theater. FOAL EAGLE is where the “rubber meets the road”, providing a field training environment for tactical-level joint and combined warfighting skills and interoperability. These exercises, supplemented by subordinate command training programs, ensure that the Combined Forces Command remains ready to fight tonight and win decisively.

As we have for the last 25 years, the Combined Forces Command continues to adapt to the changing security environment. This transformation is taking place in three key areas: enhancing combined capabilities; shaping roles and missions; and aligning forces for the mid-to-long term. Close cooperation between the defense leadership of the Republic of Korea and the United States, and the leaders of the Combined Forces Command and United States Forces Korea ensures that these changes enhance readiness and combined deterrence.

Enhancing Combined Capabilities

Most visible are the capabilities enhancements we are making through force modernization. In November 2003, the Republic of Korea—United States Military Committee reaffirmed mutual commitment to complementary, interoperable capabilities enhancements.

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The United States presented a force modernization program that brings state-of-the-art equipment to the Korean peninsula over the next three years. United States Forces based in Korea have already received tactical unmanned aerial vehicles, improved command, control, communications and computers systems, and are beginning improvement programs for United States major combat systems and munitions. In 2003, the United States deployed enhanced capabilities to protect key installations and conducted rotational deployments to demonstrate the ability to rapidly deploy ground, air, and maritime forces to the peninsula. These programs are essential to the readiness that has deterred conflict on the Korean peninsula while the United States and its coalition partners prosecute the war on terror. The powerful deterrent capabilities of forward deployed forces continue to be a key enabler for our defense strategy.

The Ministry of National Defense views continued security cooperation with the United States as a cornerstone of the Republic of Korea's defense strategy. The Ministry of National Defense Modernization Plan seeks to enhance complementary Republic of Korea defense capabilities. This plan includes purchases of many defense systems produced by the United States and joint ventures to domestically produce advanced weapons in the Republic of Korea. Highlights of the Ministry of National Defense Mid-Term Defense Modernization Plan include missile defense systems, advanced aircraft, precision munitions, and advanced naval combat and amphibious ships.

The Republic of Korea Air Force's recent procurement of the F-15K fighter is on schedule, with the first deliveries scheduled for 2005. These aircraft will be capable of employing a wide range of all-weather precision munitions that have proven extremely effective during recent United States-led coalition operations. The Republic of Korea Army will complete fielding in 2004 of a second Multiple Launch Rocket System battalion consisting of 29 launchers, 310 extended range ammunition pods, and 110 Army Tactical Missiles to enable long-range precision strike by this new organization. The Republic of Korea Navy has signed a contract to purchase eight additional P-3 anti-submarine warfare aircraft, received its third KDX-II destroyer this year, and the KDX-III, equipped with the Lockheed-Martin AEGIS system, is on track for delivery in 2008.

The Ministry of National Defense Mid-Term Defense Modernization Plan also includes several developmental programs to improve self-defense capabilities. Highlights include an

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improved missile defense system, air-to-air refueling platforms for high performance aircraft, advanced warning and airspace control aircraft, a multi-role helicopter system to replace an aging fleet, as well as advanced amphibious support ships, frigates, and patrol boats. These programs, commencing after 2007, are a needed step toward a self-reliant, modern defense capability.

The Republic of Korea's self-defense strategy goes beyond equipment modernization. It includes developing organizational and operational concepts that gain efficiencies by taking full advantage of increased equipment capabilities. The Ministry of National Defense is studying options to restructure its forces with more equally balanced air, naval, and ground components. These proposed changes will improve deterrence and are consistent with ongoing materiel and doctrinal capabilities enhancements. United States Forces Korea continues to closely coordinate with the Ministry of National Defense to ensure that the United States capabilities resident in Korea provide the appropriate mix of skilled personnel, equipment, and infrastructure to maintain deterrence and promote regional stability.

However, the Republic of Korea defense budget is insufficient to fully implement its Mid-Term Defense Modernization Plan – a fundamental obstacle to achieving the Ministry of National Defense's goals. Even after this year's minimal defense budget increase to 2.8 percent of Gross Domestic Product, the Republic of Korea's defense purchasing power remains near 1997 levels. Rising operations and maintenance costs, limited force development appropriations, and a defense spending at less than 3 percent of Gross Domestic Product will likely delay the overall Ministry of National Defense capabilities enhancement program.

Shaping Roles and Missions

Enhancing Republic of Korea military capabilities, the Military Committee agreed to transfer certain Combined Forces Command missions from United States Forces to Republic of Korea forces over the next three years. These changes will not decrease readiness or deterrence. Moreover, these mission transfers take full advantage of the strengths of Republic of Korea forces, and tailor United States Forces in Korea for the unique contributions that they make to the peninsula and the region. The Republic of Korea—United States Combined Forces Command is, and will remain, the cornerstone of deterrence on the Korean peninsula for the

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foreseeable future. These efforts to transform the command will improve interoperability and maintain operational dominance into the future.

United States Forces Korea

Transformation of United States Forces Korea is under way. Your recent investments in equipment and infrastructure have improved operational capabilities and the quality of life for United States service members, Department of Defense civilian employees, and family members. This total transformation effort – enhance, shape, and align – contributes to increased strategic relevance and flexibility for United States Forces based in Korea and around the globe. Our transformed forces and basing posture enable more rapid reinforcement of the Korean theater in the event of a crisis and improves deterrence, on the peninsula and beyond, by providing strategically mobile overmatching power to dissuade potential threats to Alliance interests. Your continued support will ensure we achieve our transformation goals, providing our forces with the resources needed to deter aggression and contribute to regional stability.

The capabilities enhancements and mission transfers previously presented are key elements of United States Forces Korea transformation. Consolidating United States Forces based in Korea into two hubs is the final component of this transformation effort. This consolidation consists of two parallel actions: relocation of United States Forces from the Seoul metropolitan area (commonly referred to as Yongsan Relocation), and realignment of the United States Second Infantry Division.

Relocation of United States Forces from the Seoul metropolitan area

Relocation of United States Forces from the Seoul metropolitan area is an important initiative with a long history. In 1990, at the request of the Republic of Korea and under the authority of the Status of Forces Agreement, the two governments completed a written agreement to relocate all United States Forces from Seoul to locations south of the Han River near Osan Air Base and Camp Humphreys. This relocation would have provided a more sustainable stationing environment for United States Forces and returned valuable land to the citizens of Seoul. The terms of the agreement – negotiated in good faith and consistent with the domestic laws of both nations at the time of signing – optimized capabilities while ensuring no degradation to readiness, operational capability, safety, force protection, or quality of life for the Korean and United States citizens who support the United Nations Command, the Combined

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Forces Command, and United States Forces Korea. Under these agreements, the United States promptly returned a sizeable portion of the Yongsan Garrison to the Republic of Korea, on which a Republic of Korea national museum has been built. However, in 1993 the United States received notification that the Republic of Korea would unilaterally suspend its implementation of the agreements.

As part of the *Future of the Republic of Korea—United States Alliance Policy Initiative*, the Republic of Korea government asked to renew discussions on implementing the relocation of United States Forces from the Seoul metropolitan area. These discussions have been candid and productive, with agreement on major points: all relocations will be completed by 31 December 2007, with the understanding that the target date for the relocation of the headquarters of United Nations Command, Combined Forces Command, and United States Forces Korea will be 31 December 2006; a small residual United States military presence will remain in Seoul to coordinate with the Ministry of National Defense and maintain a United States armed forces recreation center; and the Republic of Korea responsibility to fund this relocation, providing all necessary facilities and infrastructure to optimize operational capabilities for the headquarters', and maintain quality of life for personnel supporting those commands. When completed, these agreements will preserve the principles of the 1990 agreements, comply with the domestic laws of both nations, and ensure no reduction in readiness, deterrence, operational capability, safety, force protection or quality of life for the Republic of Korea and United States personnel affected by the relocation. We look forward to concluding the necessary agreements promptly, providing the National Assembly ample time to consider and ratify them according to the domestic requirements of the Republic of Korea.

Realignment of United States Second Infantry Division

The second facet of consolidating United States Forces into two hubs is realignment of Second Infantry Division. This realignment serves two main goals: transform the United States basing posture from its inefficient post-Korean War posture to a stable, less intrusive footprint, and focus construction investments into enduring facilities within the two hubs south of the Han River. While some Koreans have expressed anxiety that this realignment may send the wrong message to North Korea, we have clearly explained how this plan leverages our improved

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capabilities to improve readiness and deterrence while supporting a long-term United States military presence in the Republic of Korea.

Representatives of the Office of the Secretary of Defense and the Ministry of National Defense have agreed on a two-phased process to realign the Second Infantry Division. The first phase – a logical extension of the Land Partnership Plan – consolidates the Second Infantry Division into existing installations while construction takes place south of the Han River.¹² This plan allows all construction for the realignment of Second Infantry Division to be completed by 2008. In November 2003, we completed the necessary documents to modify the Land Partnership Plan to accommodate this realignment plan. The Ministry of National Defense has procured the first 200 acres needed to expand Camp Humphreys with funds provided by the return of the first property under the Land Partnership Plan. The Ministry of National Defense is diligently working to purchase all of the land required to expand both Camp Humphreys and Osan Air Base. The second phase of this plan will consolidate all of the Second Infantry Division units in Korea into the new facilities south of the Han River. Stable funding of United States military construction projects in the Future Years Defense Plan remains a crucial element of this plan. I remain enthusiastic about this win-win approach to recapitalizing our infrastructure in a sustainable, enduring way and look forward to accelerating our progress toward completing this necessary consolidation.

Sustained Investment for the Future

My command priorities remain consistent with my previous testimony: ensure peace and stability on the Korean Peninsula; readiness and training; strengthen the Republic of Korea—United States Alliance; transformation of the command; and, making Korea an assignment of choice. I have addressed most of the actions to enhance, shape, and align the force to meet these priorities. However, two areas merit additional comment: readiness and training; and, making Korea the assignment of choice.

¹² The Republic of Korea ratified the Land Partnership Plan in 2003. This plan reduced the number of United States installations in Korea from 41 to 23. The Land Partnership Plan shares relocation costs between both governments – each nation bearing the costs of the relocations it requested. Stable United States military construction appropriations are essential to implementing the Land Partnership Plan.

FOR OFFICIAL USE ONLY***Readiness***

Readiness remains my top priority. Your continued support to capabilities enhancement and our training program is crucial. Key focus areas for modernization are: joint and combined command, control, communications, and computers (Joint and Combined C4); theater missile defense; intelligence, surveillance, and reconnaissance (ISR); pre-positioned equipment and logistics; and counterfire capabilities and precision munitions. With your help, we have made meaningful progress in Joint and Combined C4 integration. We also improved the survivability of intra-theater communications networks and established a state-of-the-art Common Operational Picture and Collaborative Planning System that shares information among all commanders on the peninsula in real time. The next step is accelerated development of automated data filter devices to expand the real time information exchange between United States and Republic of Korea Forces. We need to continue these improvements and couple them with emerging coalition warfighting C4 systems to establish a hardened, secure long-haul strategic communications network to support our missions both on the peninsula and throughout the region.

The regional missile threat requires a robust theater missile defense system to protect critical United States capabilities and personnel in the Republic of Korea. Last year's deployment of Patriot upgrades and improved munitions was a significant enhancement. To protect all critical United States facilities in Korea, we need to continue fielding advanced theater missile defense capabilities in the near-term. Your continued support to these service component programs remains integral to protecting United States Forces.

Robust ISR capabilities are essential to rapid, decisive operations. Our long-term program of continuous improvement is working. Last year, short-range Unmanned Aerial Vehicles that improved our tactical ISR capability were fielded in Korea. The next step is fielding long-range, high-altitude Unmanned Aerial Vehicles that can conduct some of the missions now performed by manned reconnaissance aircraft. Beyond collection platforms, we continue to improve our intelligence analysis capabilities to provide commanders with the timely, accurate assessments necessary to establish conditions that enable rapid dominance of the battle space. Your continued support to modernizing intelligence, surveillance, and reconnaissance capabilities is a wise investment for the future.

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Logistically supporting United States Forces based in Korea is a complex, monumental undertaking. The proximity of the North Korean threat, coupled with the long distances from the United States sustainment base, requires a robust and responsive logistics system to support United States Forces based in Korea. The capabilities enhancements programmed for United States Forces based in Korea will improve our core logistics functions through modern pre-positioned equipment, responsive strategic transportation, and modern logistics tracking systems. Pre-positioned equipment sets, which include critical weapons systems, preferred munitions, repair parts, and essential supplies, are critical to the rapid power projection to reinforce the Korean theater. Responsive strategic transportation – fast sealift ships and cargo aircraft – remain indispensable to rapidly reinforce the Korean theater and sustain United States Forces. Expeditious fielding of the Air Force's C-17 fleet and the Army's Theater Support Vessel to the United States Pacific Command Area of Responsibility remains a high priority to support United States Forces based in Korea. Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint Logistics Command, Control, Communications, Computers, and Information system. Lessons from Operation Iraqi Freedom and Operation Enduring Freedom have highlighted several areas where relatively small investments in asset tracking systems and theater distribution will yield significant efficiencies and improve the overall effectiveness of the logistics system. Your continued support for improved logistics and sustainment programs will ensure that United States Forces have the right equipment and supplies at the right time.

Counterfire and precision strike are core capabilities for all of our contingency plans, allowing us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is critical to operational success in the Korean theater. Our priority ordnance requirements include: the Army Cruise Missile System, the extended-range Multiple Launch Rocket System, precision guided munitions, air-to-ground missiles, and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities that undergird deterrence.

Making Korea an Assignment of Choice – building momentum on success

Recapitalizing the United States Forces Korea infrastructure and establishing a stable stationing environment enhances readiness, force protection, and overall quality of service.

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These key actions, along with equitable compensation for our service members, are helping to make Korea an assignment of choice. This translates into increased personnel stability in Korea – fewer of our men and women are declining assignment to Korea, and higher percentages are choosing to stay in Korea for longer tours because of the improvements we've recently made. These improvements allow us to continue to recruit and retain the talented, motivated people who accomplish our mission in Korea; we need to continue to build on the momentum of recent successes.

Our challenge to recapitalize the infrastructure is substantial. Our facilities are old—over one third of all buildings in the command are between 25 and 50 years old, and one third are classified as temporary buildings. These substandard facilities pose force protection challenges because they lack sufficient standoff and structural strength to withstand attack. Many of our single and married service members continue to live in substandard base housing that is increasingly difficult and expensive to maintain.¹³ Others must live in expensive, densely crowded urban areas outside our installations, where force protection and safety are significant concerns. Along with the service components, we are working diligently to correct these deficiencies by 2009. We have a coordinated construction program – supported by our ongoing master planning at Camp Humphreys and Osan Air Base – that is executable with stable military construction funding under the Future Years Defense Plan. We will continue to maintain existing permanent facilities through an aggressive Sustainment, Restoration, and Modernization program – funded with Operations and Maintenance accounts – while we move forward with our overall construction master plan. With your support, we will continue to improve living and working facilities in Korea.

Though there is more to be done, we have made progress. In 2003 we focused efforts at our southwestern hub located at Camp Humphreys and Osan Air Base. Figures 1 and 2 illustrate the modern facilities that you have made possible. Fifty-two newly constructed family housing units opened at Camp Humphreys, and we awarded contracts for an additional 48 units. We also converted an existing bowling alley into an elementary school that now serves 150 students. At Osan Air Base, United States military construction funded a new dormitory

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that provides adequate housing for 156 service members. We also awarded contracts for phase one of a three-phase program that will provide over 300 family housing units at Osan Air Base. You also authorized important provisions that extend the allowable build-to-lease period to 15 years. These provisions, approving the supplemental authority for acquisition and improvement of leased military housing in Korea, will allow us to add an additional 1,500 build-to-lease family housing units at Camp Humphreys.



Figure 1 -- New family housing unit at Camp Humphreys



Figure 2 -- New dormitory at Osan Air Base

We have made progress toward recapitalizing our infrastructure in Korea. To maintain momentum in correcting these deficiencies, we need stable military construction funding in the Future Years Defense Plan. Your support, along with the Republic of Korea's contributions under cost sharing agreements, will ensure that we complete this infrastructure renewal program. The President's Fiscal Year 2005 budget request includes several projects that are important for United States Forces based in Korea. These projects are summarized in Table 1.

Table 1 -- 2005 Korea Military Construction Projects		
Project Description	Location	Program Authority (\$million)
Family Housing Tower, Phase III (117 units)	Osan Air Base	\$46.83
156 Person Dormitory	Osan Air Base	\$18.60
144 Person Dormitory	Kunsan Air Base	\$18.55
144 Person Dormitory	Kunsan Air Base	\$18.55
Sewer System Upgrade	Camp Humphreys	\$12.00
	Total	\$114.53

The additional family housing units at Osan Air Base will provide the necessary quality of life for service members and their families. These facilities are a key part of the plan to provide

¹³ Currently 8,000 unaccompanied service members live in inadequate government quarters. More than 1,300 of the 2,000 available family housing units in Korea do not meet United States government standards.

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more command-sponsored family housing to eligible service members and will ensure that United States standards for space, safety, and force protection are met. The dormitory projects at Osan and Kunsan Air Bases will also improve the housing and quality of life for our unaccompanied service members. These additions will provide adequate space in modern facilities for the individual service members and allow them to live on our installations, thereby improving force protection and readiness. The sewer system upgrade project at Camp Humphreys is required to support the current population and the expected growth from our consolidation into hubs. This project is located on existing land granted for use by United States Forces Korea, and will ensure compliance with health and environmental protection standards. Improving our infrastructure, along with expanded use of build-to-lease housing around our hubs of enduring facilities, will allow an increase in the number of accompanied tours, greatly improving quality of life across the services and attracting the high-quality personnel we need in Korea.

We have moved toward equitable pay, long a concern for service members stationed in Korea. Last year, service members in Korea were authorized a cost of living allowance for the first time. This allowance has reduced the pay disparity and offset the rising out-of-pocket costs of serving in Korea. We are also working with the Services to implement the assignment incentive pay that you enacted. This legislation provides continued opportunity to reduce perceived pay inequities. On behalf of the people serving in United States Forces Korea, I want to extend our sincerest thanks and ask that you continue supporting Department of Defense efforts to provide equitable pay for the Soldiers, Sailors, Airmen, and Marines serving in Korea.

In conclusion, I'd like to close with these thoughts:

Northeast Asia will continue to grow in importance for the United States and our partners. The presence of United States Forces in Korea demonstrates our commitment to shared interests: regional peace and stability; free trade; and the spread of democratic principles. The Republic of Korea continues to be a reliable ally and partner in the region.

United States Forces in Korea, along with our Republic of Korea counterparts, are trained and ready. We remain confident in our ability to deter and if necessary, defeat any potential North Korean aggression.

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United States Forces in Korea are transforming now. Our plan to enhance capabilities by modernizing equipment and implementing new operational concepts, shape roles and missions to optimize the force structure, and align the stationing plan for a sustainable presence has begun. Your continued support to these initiatives provides our service members with state-of-the-art capabilities to deter and, if necessary, defeat threats in the Northeast Asia region.

The Republic of Korea-United States Alliance has weathered challenges for over 50 years, and this partnership will continue to mature. Your investments in Korea have, and will continue to make a significant difference for our service members and the stability of the region.

You can be justifiably proud of all the Soldiers, Sailors, Airmen, Marines, and civilians in Korea who serve the American people. Their daily dedication and performance reflect the trust and support that you've placed in them.

**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

MARCH 31, 2004

QUESTIONS SUBMITTED BY MR. HOSTETTLER

Mr. HOSTETTLER. On your prioritized list of requirements, what are your requirements for the Coast Guard?

Admiral FARGO. My Integrated Priority List (IPL) is submitted to the Secretary of Defense for DoD capabilities that support missions in the Pacific area of responsibility. Although my IPL does not include Coast Guard requirements, it is paramount that support continues for their Deepwater program including adequate funding to ensure legacy asset support. Increased USCG capacity in the PACOM AOR to enhance Expanded Maritime Interception Operations; specialized forces capable of non-compliant boardings of vessels of security interest; armed helicopters to support both counter-narcotics missions and homeland security; Maritime Patrol Aircraft (MPA) to improve Maritime Domain Awareness; and C4ISR to improve interoperability with DoD assets are all highly desirable.

Mr. HOSTETTLER. Would you like to see a Coast Guard Training Team assigned to your AOR on a permanent basis?

Admiral FARGO. The USCG Pacific Area Commander Training Team in Alameda, California provides training support to USCG units in the PACOM AOR and, has mobilized training teams for PACOM initiatives in the past. However, the requirement for USCG assessments, training and other USCG law-enforcement related work here has increased significantly. Nearly all our regional nations acknowledge an increased maritime threat, and ASEAN nations are on record with numerous programs and initiatives to address this threat. The Virginia-based USCG International Training Detachment is available to support combatant commanders or US country teams worldwide. When available, these teams can develop the foreign agencies capacity to respond to maritime threats in their own waters. Ensuring foreign nations have the ability to respond to transnational local and regional security threats is a critical element of improving Maritime Security in the PACOM AOR.

Permanently assigning a USCG team to the PACOM AOR would provide for a more readily employable/deployable team with regional context and experience. A USCG training team assigned to PACOM would also benefit our interdiction/boardings training for the USN (and other requesting regional partners) by providing a complimentary law-enforcement piece to maritime security improvement programs.

Mr. HOSTETTLER. Are you concerned about the Coast Guard's ability to sustain its readiness into the future given its antiquated fleet of aircraft and cutters?

Admiral FARGO. PACOM supports the Coast Guard Deepwater recapitalization program in order to provide a national fleet that can effectively respond to DoD and DHS missions. The disparity between the USCG and the USN's equipment, particularly with regards to C4I systems, is becoming a limiting factor in PACOM's ability to effectively employ USCG forces. For example, much tactical ship-shore coordination is now done via classified e-mail (SIPRNET); nearly all USN ships have SIPR connectivity while underway, while only a select few USCG large cutters are outfitted with this capability. Without major upgrades to USCG systems, the gap in capabilities between USN and USCG forces will increasingly impact interoperability. Additionally, the Coast Guard is finding it increasingly expensive to maintain a high operations tempo with antiquated assets.

Mr. HOSTETTLER. Do you need to increase the number of Coast Guard personnel on your staff?

Admiral FARGO. USCG officers' expertise in maritime law enforcement operations is a critical element of PACOM's mission to counter transnational threats and our campaign in the war on terrorism. An additional senior officer in charge of counter-narcotics operations for the Joint Interagency Task Force West (JIATF-W) would benefit operational relations with maritime law enforcement agencies from countries throughout Southeast Asia. Additional officers assigned to intelligence posts in Asia would ensure connectivity with PACAREA's Maritime Intelligence Fusion Center, help to develop Maritime Domain Awareness, and facilitate information sharing as part of the Regional Maritime Security Initiative (RMSI). RMSI will counter transnational threats and ensure peace and prosperity by increasing the shared capabilities of a partnership of willing nations.

Mr. HOSTETTLER. What improvements/changes does the Coast Guard need to make in order to be more useful to meet your mission objectives?

Admiral FARGO. Recapitalization and modernization as part of the Coast Guard's Integrated Deepwater System (IDS) program is a performance-based approach to upgrading existing assets while transitioning to more capable platforms. Enhanced C4ISR and logistics systems will improve the interoperability of USCG and other PACOM forces. Upgrading Coast Guard assets will strengthen PACOM's capacity to effectively respond to transnational threats.

Mr. HOSTETTLER. Are the use/deployment of Coast Guard forces included in your contingency plans? Do you envision removing/replacing them with other forces?

Admiral FARGO. Coast Guard Forces play an essential role in PACOM contingency plans, filling key roles in the Coastal Warfare and Harbor Defense mission areas including expeditionary response to the Korean theater, Alaskan and Hawaiian domestic support, maritime interdiction operations, maritime exercises, and counter narcotics efforts. The Coast Guard's authority and extensive experience in the maritime law enforcement arena make them the preferred forces for the final phases of Detection and Monitoring and sanctions enforcement missions. Removing or replacing Coast Guard forces committed to these missions would have an adverse impact on PACOM's ability to fulfill these functions. Coast Guard assets and units (Major Cutters, Patrol Boats and Port Security Units) provide unique capabilities, which we do not currently envision replacing with other forces.

Mr. HOSTETTLER. Explain how you use the US Coast Guard for your theater engagement purposes. Would you like more Coast Guard assets in your AOR? What advantages does the Coast Guard bring when dealing with small international navies in your AOR that are more like the Coast Guard in force structure and missions than the US Navy?

Admiral FARGO. Because many nations of this region require a Coast Guard before they field a "Blue Water Navy", the USCG is one of PACOM's most desirable agencies for theater security cooperation. As you note, the role of some small nations' navies are more comparable to the USCG's law enforcement/security missions, than the USN's defense/power projection mission. This commonality of purpose with small foreign navies often, equates to a ready acceptance of ties with the USCG. Additionally, the USCG has legal authorities and jurisdictions, not held by DoD, that allow additional flexibility in the execution of PACOM's theater security cooperation program. Increasing USCG surface assets and Law Enforcement Detachments would particularly benefit the Regional Maritime Security Initiative (RMSI) in our area of responsibility. RMSI will counter transnational threats and ensure peace and prosperity by increasing the shared capabilities of a partnership of willing nations.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. What can you tell me about the incident involving the oceanographic vessel that was pursued by the Chinese naval forces, I want to say, last summer, is that happening on a fairly frequent basis, or was that a one time incident?

Admiral FARGO. [The information referred to is classified and retained in the committee files.]

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